

FIN-2100: FINANCIAL MANAGEMENT

Cuyahoga Community College

Viewing: FIN-2100 : Financial Management

Board of Trustees:

March 2022

Academic Term:

Fall 2022

Subject Code

FIN - Financial Management

Course Number:

2100

Title:

Financial Management

Catalog Description:

Analytical study of basic principles of financial management, integrating financial analysis and planning, working capital management, capital budgeting, capital structure, dividend policy, financial markets, and financial instruments into business decisions and reporting.

Credit Hour(s):

3

Lecture Hour(s):

3

Lab Hour(s):

0

Other Hour(s):

0

Requisites

Prerequisite and Corequisite

ACCT-1341 Managerial Accounting, or departmental approval: equivalent courses or equivalent work experience.

Outcomes

Course Outcome(s):

Interpret mathematical formulas, data bases, financial models, and other current market tools to make informed decisions and solve corporate financial challenges.

Essential Learning Outcome Mapping:

Critical/Creative Thinking: Analyze, evaluate, and synthesize information in order to consider problems/ideas and transform them in innovative or imaginative ways.

Objective(s):

1. Integrate an understanding of the role of finance and the financial manager in today's business environment.
2. Apply the legal, operating, and tax environments of a firm using current financial tools.
3. Evaluate the operating and financial leverage of a company.
4. Apply concepts of working capital management to a corporate structure.
5. Analyze the time value of money formulas to make informed decisions for capital budgeting.
6. Evaluate the options for long term debt financing, thus making informed decisions regarding long term borrowing.
7. Integrate the options for long term equity financing, thus making informed decisions regarding long term borrowing.
8. Create and interpret financial statement data using the four major financial statements.
9. Using the tools of financial planning and forecasting, analyze the financial strengths/weaknesses of a corporation.
10. Create and evaluate the operating and financial leverage of a company.

Course Outcome(s):

Evaluate and manage the market tools and web resources necessary to succeed in the current financial market place.

Essential Learning Outcome Mapping:

Information Literacy: Acquire, evaluate, and use information from credible sources in order to meet information needs for a specific research purpose.

Objective(s):

1. Exhibit an understanding of the role of finance and the financial manager in today's business environment.
2. Develop an ethical approach to financial decision making.
3. Correlate the legal, operating, and tax environments of a firm using current financial tools.
4. Create and interpret financial statement data using the four major financial statements.
5. Using the tools of financial planning and forecasting, analyze the financial strengths/weaknesses of a corporation.
6. Develop and apply concepts of working capital management to a corporate structure.
7. Applying the time value of money formulas, make informed decisions for capital budgeting.
8. Analyze the options for long term debt financing, thus making informed decisions regarding long term borrowing.
9. Explain the options for long term equity financing, thus making informed decisions regarding the issuance of long term equity instruments.

Methods of Evaluation:

1. Examinations
2. Oral presentations
3. Web research projects
4. Individual and/or group quizzes
5. Individual and/or group projects.
6. Computerized homework/projects

Course Content Outline:

1. Introduction to Financial Management
 - a. Business Finance and the Financial Manager
 - b. Forms of Business Organization
 - c. The Goals of Financial Management
2. Financial Statements, Taxes, and Cash Flow
 - a. The Balance Sheet
 - b. The Income Statement
 - c. Taxes
 - d. Cash Flow
3. Working with Financial Statements
 - a. Standardized Financial Statements
 - b. Ratio Analysis
 - c. The DuPont Identity
 - d. Internal and Sustainable Growth
4. The Time Value of Money
 - a. Future Value and Compounding
 - b. Present Value and Discounting
 - c. Chapter 5 Discounted Cash Flow Valuation
 - d. Future and Present Value of Multiple Cash Flows
 - e. Annuities and Perpetuities
 - f. The Effect of Compounding Periods
 - g. Loan Types and Loan Amortization
5. Interest Rates and Bond Valuation
 - a. Bonds and Bond Valuation
 - b. Bond Ratings
 - c. Different Types of Bonds
 - d. Bond Markets
 - e. Inflation and Interest Rates
 - f. Determinants of Bond Yields

6. Equity Markets and Stock Valuation
 - a. Common Stock Valuation
 - b. Features of Common and Preferred Stock
 - c. The Stock Markets
7. Net Present Value and Other Investment Criteria
 - a. Net Present Value
 - b. Payback
 - c. Average Accounting Return
 - d. Internal Rate of Return
 - e. The Profitability Index
 - f. Capital Budgeting
8. Making Capital Investment Decisions
 - a. Project Cash Flows
 - b. Incremental Cash Flows
 - c. Pro Forma Financial Statements and Project Cash Flows
9. Some Lessons from Capital Market History
 - a. Returns
 - b. Average Returns
 - c. Variability of Returns
 - d. Capital Market Efficiency
10. Risk and Return
 - a. Expected Returns and Variances
 - b. Portfolios
 - c. Systematic and Unsystematic Risk
 - d. Diversification and Portfolio Risk
 - e. Systematic Risk and Beta
 - f. The Security Market Line
11. Short Term Financial Planning
 - a. Tracing Cash and Net Working Capital
 - b. The Operating Cycle and the Cash Cycle
 - c. The Cash Budget
 - d. Short-Term Borrowing
12. Working Capital Management
 - a. Float and Cash Management
 - b. Cash Management: Collection, Disbursement and Investment
 - c. Credit and Receivables
 - d. Inventory Management
13. Cost of Capital
 - a. The Cost of Equity
 - b. The Cost of Debt and Preferred Stock
 - c. The Weighted Average Cost of Capital
14. Leverage and Capital Structure
 - a. The Effect of Financial Leverage
 - b. Capital Structure and the Cost of Equity Capital
 - c. Corporate Taxes and Capital Structure
 - d. Bankruptcy Costs
 - e. Optimal Capital Structure
15. Dividends and Dividend Policy
 - a. Cash Dividends and Dividend Payment
 - b. Dividend Policy
 - c. Stock Repurchases
 - d. Stock Dividends and Stock Splits
16. Raising Capital
 - a. Financing Life Cycle
 - b. Selling Securities to the Public
 - c. Underwriters
 - d. IPOs and Underpricing

- e. The Cost of Issuing Securities
- f. Issuing Long-Term Debt

Resources

Block, Stanley. *Foundations of Financial Management*. 17th. McGraw Hill, 2019.

Gitman, Lawrence, Zutter, Chad. *Principles of Managerial Finance*. 14th. Pearson, 2019.

Brigham, Eugene; Houston, Joel. *Fundamentals of Financial Management*. 16th. Cengage, 2022.

Ross, Stephen, Westerfield, Randolph, Bradford, Jordan. *Essentials of Corporate Finance*. 10th. McGraw Hill, 2020.

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