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495-01 Cases & Problems in Finance

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Class Description: In this capstone class you will apply the theories, concepts, and tools you learn in other finance classes. You will be asked to make decisions based upon your analysis and to present your solutions in oral and written form. You will apply theories and concepts from other business courses and across many fields of study.

Class Learning Objectives: Learning objectives include, but are not limited to:

- Improve your critical thinking skills;
- learn to create a business report;
- develop oral presentation skills for a business report;
- develop understanding at a theoretical and practical level of the following topics:
  - capital budgeting
  - cost of capital
  - financial analysis
  - working capital management
  - capital structure
  - dividend policy
  - business valuation;
- consider ethical dimensions of financial decisions;
- apply research and spreadsheet skills that you have learned in other classes;
- learn key concepts of strategic management.

Prerequisites: You should have completed almost all of your finance classes before taking this course. The official University Catalog states: Pre-requisite: FINC 350 or ACCT 301, FINC 401 and FINC 365 (one prereq/one coreq) Co-requisite: FINC 401 or FINC 365 (one prereq/one coreq).


Selected readings – to be posted on Canvas.

Mission of the Williams College of Business (WCB):

“We educate students of business, enabling them to improve organizations and society, consistent with the Jesuit tradition”
Grading: You will work through a number of cases during the semester in groups. Some of the group
cases will be an oral presentation which will be recorded for analysis. The other group cases
will be written. Your “group” grades may be lowered based upon your contribution to the
group effort as determined by a peer assessment and for each case. Class participation will be
important when the final averages are calculated. You cannot earn an A or B grade in the class
if you do not meet a minimum standard of acceptable peer evaluation, attendance, and
participation.

Group cases = 75%
Individual nonprofit assignment = 10%
Reflection paper = 5%
ETS Test (see below) = 10%
Peer evaluations, attendance & participation = -20% to 0%

93% and above = A; 90+ = A-; 87+ = B+; 83+ = B; 80+ = B-; 77+ = C+;
73+ = C-; 67+ = D+; 60+ = D; Below 60% = F.

Case Grading Standards:

A: A paper of exceptionally high quality; great depth and breadth of analysis; a balanced,
thorough discussion of the problems and potential solutions; excellent writing quality and
style; free from errors; logical conclusions drawn from the paper.

B: A very good paper; good depth and breadth of analysis; a balanced, thorough discussion of the
problems and potential solutions; very good writing quality and style; free from serious
errors; logical conclusions drawn from the paper.

C: Acceptable paper; reasonable depth and breadth of analysis; reasonable discussion of problems
and solutions; few errors; logical conclusions.

D: Barely acceptable; serious deficiencies in depth, breadth, and/or presentation.

F: Unacceptable.

Attendance: You’re just a few months away from your first “real” job. It’s time to practice taking things
seriously, and this class is one of those things. Active participation every day is expected in
this course. Every absence must be discussed with me as far in advance as possible.

Groups: I will assign groups early on in the semester. Your preferences as well as group balance and
geographic considerations will all be taken into account in making group assignments.

In any group of three or four people, disagreements will arise and participation levels will vary.
This is representative of your future business careers--sometimes you do most of the work and
others share the credit. However, if your group experiences serious difficulties, please contact
me as soon as possible.

Reflection paper: You will complete a reflection paper, conducting an individual analysis including the
development of your personal mission statement and your personal business plan. Your
reflection will begin by taking the Strengths Finder assessment online early in the semester and
evaluating the results in the context of the report off the web site.
**Students with disabilities:** It is my goal that this class be an accessible and welcoming experience for all students. If you are a student with a disability who may have trouble participating or effectively demonstrating learning in this course, contact me to arrange an appointment to share your Accommodation Letters from Disability Services and to discuss your needs. Disability related information is confidential. If you have not contacted Disability Services (located in the Learning Assistance Center) to arrange accommodations, I encourage you to do so by contacting Cassandra Jones, by phone at 513-745-3280, in person on the Fifth Floor of the Conaton Learning Commons, Room 514, or via e-mail at jonesc20@xavier.edu as soon as possible as accommodations are not retroactive.

**Academic Honesty:** We will often discuss ethical issues in class. Just as I expect corporations to act in an ethical manner, I expect you to behave ethically. Unauthorized use of work that is not your own will result in a failing grade in the course. Using any work that is not your own, giving permission to use your work, or using any unauthorized information throughout the semester will result in a failing grade in the course and possible expulsion from Xavier University.

**Inclusivity Statement:** I am committed to providing an atmosphere for learning that respects diversity and in which all students feel comfortable and safe to learn. In order to build a classroom community I ask that students:

- share their unique experiences, values and beliefs;
- be open to the views of others;
- honor the uniqueness of their peers;
- appreciate the opportunity that we have to learn from each other in this community;
- communicate in a respectful manner;
- keep confidential discussions that the community has of a personal (or professional) nature;
- utilize this opportunity together to discuss ways in which we can create an inclusive environment in this course and across the Xavier community.

**Late Assignments:** If any item is not turned in by **15 minutes after the end of class on the day it is due**, your grade will be lowered at least one letter grade per day for that assignment.

**Schedule:** The complete schedule will be distributed after the second week of class after case group assignments are finalized.

**ETS Exam:** The Williams College of Business gives an assessment exam to all students in capstone courses. The exam that you will be taking is the "Major Field Test" from the Educational Testing Service (ETS). The ETS exam will be administered by the Williams College of Business. It is an important tool for assessment in AACBS accreditation. In general, the exam will cover all areas of business, including accounting, economics, management, quantitative business analysis and information systems, finance, marketing, and legal and social environment studies. You will receive information concerning your grade on the exam, as well as information as to how it compares to the national participants. The results of this test are important to you and to Xavier because the results will help us understand if there are improvement opportunities in students’ education.
WCB LEARNING GOALS:

- **Critical Thinking**  
  *Learning Goal:* WCB graduates will be able to think logically, reason quantitatively, and utilize appropriate analytical techniques and technology when evaluating and making decisions.  
  *Corresponding Course Objectives:*  
  1. WCB students will collect, evaluate and synthesize information to offer solutions and support decision making.  
  2. WCB students will evaluate and articulate implications of business decisions and their impact on organizational stakeholders, both individually and in teams.

- **Ethics and Social Responsibility**  
  *Learning Goal:* WCB graduates will be able to recognize ethical issues, discern moral implications of decision making, and be prepared, and willing, to serve as responsible and professional members of society.  
  *Corresponding Course Objective:*  
  1. WCB students will recognize ethical issues and their implications on personal and business decisions.

- **Effective Written and Oral Communication**  
  *Learning Goal:* WCB graduates will be able to organize, support and communicate ideas clearly and effectively, employ multiple mediums of communication (e.g., written, oral and visual), and adapt communication to audience, context or purpose.  
  *Corresponding Course Objectives:*  
  1. WCB students will produce business documents and reports demonstrating their ability to organize and communicate ideas clearly and professionally.  
  2. WCB students will make effective presentations, accompanied by the appropriate technology, demonstrating their ability to organize and communicate ideas clearly and professionally, both individually and in teams.

- **Understanding and Application of Knowledge Across Business Disciplines**  
  *Learning Goal:* WCB graduates will be able to evaluate business from an integrative and holistic point of view, leverage the synergies between functional business areas, and demonstrate college-level mastery of their chosen discipline.  
  *Corresponding Course Objectives:*  
  1. WCB students will demonstrate the appropriate knowledge of accounting, economics, finance, management, management information systems, marketing, quantitative business analytics, international issues, and the legal and social environment of business.  
  2. WCB students will evaluate business problems from an integrative point of view, including diverse business functions, competition and external environment (social, political, economic, and environmental.)  
  3. WCB students will demonstrate college-level mastery of the body of knowledge and skills relative to their major. (To be determined at the departmental level.)

- **Personal and Professional Development**  
  *Learning Goal:* WCB graduates will be well-prepared for their future careers and appreciate the importance of continuous professional development and life-long learning.  
  *Corresponding Course Objective:*  
  WCB students will articulate career goals, prepare a professional resume, demonstrate behavior-based interviewing techniques and develop a professional network.
FINC495 - Course Schedule

*** Check Canvas regularly for changes and updates ***

Week 1 – January 9, 11
Introduction to the Course (9th)
How to Study and Discuss Cases, p. xxv (11th, read ahead of class)
Strengths Finder results assignment due by 6pm, Friday, Friday 12th

Week 2 – January 16, 18
Ethics in Finance, p. xxxii (16th, read ahead of class)
Frontline ethics video – To Catch a Trader

Week 3 – January 23, 25 (23rd is the McCormick Investment Symposium)
Critical Thinking and the Case Method (Canvas readings – read ahead of class)
case team member preferences due on 25th by 6pm

Week 4 – January 30, February 1
Estimating the Cost of Capital
Reading: #13 Best Practices in Estimating the Cost of Capital: Survey and Synthesis

Week 5 – February 6, 8
Case: #15 Nike, Inc.: Cost of Capital (Tuesday)
second half of class Thursday, Groups review oral presentations

Week 6 – February 13, 15
Nonprofit financial management

Week 7 – February 20, 22
Nonprofit individual assignment due – in class discussion (Tuesday)
Financial Analysis and Forecasting
Readings: #6 The Thoughtful Forecaster, # 7 The Financial Detective, 2005
Sign up for ETS Test by 6pm

Week 8 – February 27, March 1
Case: #11 Horniman Horticulture, (Tuesday)
second half of class Thursday, Groups review oral presentations

Week 9 – March 6, 8 – Spring Break – no classes

Week 10 – March 13, 15
Capital Budgeting and Resource Allocation

Week 11 – March 20, 22
Case: #24 Victoria Chemicals plc (A): The Merseyside Project (Tuesday)
second half of class Thursday, Groups review oral presentations

Week 12 – March 27, 29 – Easter Break – no class Thursday
Dividend policy and repurchases

Week 13 – April 3, 5
Dividend policy: Dividends and repurchases
Case: #29 Gainsboro Machine Tools Corporation (Thursday)

Week 14 – April 10, 12
second half of class Tuesday, Groups stay to go over oral presentations
Management of Corporate Capital Structure

Week 15 – April 17, 19
Management of Corporate Capital Structure
Case: #33 California Pizza Kitchen (Thursday)

Week 16 – April 24, 26
second half of class, Groups stay to go over oral presentations
In-class reflection exercise

Week 17 – May 1-4, Finals Week
Personal Evaluation Reflection paper due (finals week)
final exam time: Thursday, May 3, 8:30-10:20am