UNIVERSITY OF THE PEOPLE

BUS 5111: Financial Management

Syllabus

Credits: 3

Course Description: This course will provide students with an understanding of the components of an organization's internal financial conditions and how decision-makers manage these resources in the context of external markets and institutions. It will explore the finances of economic development and consider sources of early- and late-stage financing. The real-world challenges of corporate finance will be covered, including evaluating financial tools, e.g., mergers and acquisitions, leveraged buyouts, hostile takeovers, and initial public offerings; employing basic financial analysis tools, e.g., credit market analysis, option pricing, valuation of interest tax shields, and weighted average cost of capital; acquiring an understanding of core financial decisions, e.g., finance with debt or equity and distributing cash to shareholders; and considering aspects that can hinder/sideline financial stability, e.g., costs of financial distress, transaction costs, information asymmetries, taxes, and agency conflicts. Specific skills acquired will be financial trend analysis for financial statement interpretation; calculating the present value of cash streams leading to the ability construct capital budgets; calculating bond interest tax shields and its impact on a firm's average cost of capital; constructing corporate valuation models; and assessing the impact of various sources of capital infusions on the cost of capital structure of a firm.

Required Textbook and Materials: UoPeople courses use open educational resources (OER) and other materials specifically donated to the University with free permissions for educational use. Therefore, students are not required to purchase any textbooks or sign up for any websites that have a cost associated with them. The main required textbooks for this course are listed below and can be readily accessed using the provided links. There may be additionally required/recommended readings, supplemental materials, or other resources and websites necessary for lessons; these will be provided for you in the course's General Information and Forums area, and throughout the term via the weekly course Unit areas and the Learning Guides.

- Dauderis, H., Annand, D., Jensen, T., & Morpurgo, M. (2022). *Introduction to financial accounting* (Version 2023A). Lyryx Learning Inc. Licensed under CC BY-NC-SA 3.0. https://openlibrary-repo.ecampusontario.ca/jspui/bitstream/123456789/1963/1/DauderisAnnand-IntroFinAcct.pdf

- Jonick, C. (2017). *Principles of financial accounting.* University of North Georgia Press. Licensed under Creative Commons by-nc-sa 3.0. Lyryx Learning Inc. Download the PDF version

Software Requirements/Installation: No special requirements.

Learning Objectives and Outcomes:

By the end of this course students will be able to:

1. Interpret financial statements.

2. Calculate net present values of expected future cash flows and its applications.
3. Analyze equity and fixed income yields including tax shield effects.
4. Determine whether to raise capital through debt or equity by taking into account cost of capital.

Course Schedule and Topics: This course will cover the following topics in eight learning sessions, with one Unit per week.

Week 1: Unit 1 - Financial Statement Review, Capital Structure, and Bankruptcy Issues

Week 2: Unit 2 - Cash Flows and Discount Cash Flow Analysis

Week 3: Unit 3 - Capital Budgets

Week 4: Unit 4 - Investor Yields: Equities and Fixed Income (with tax shield effect)

Week 5: Unit 5 - Methods of Computing Company Valuations

Week 6: Unit 6 - Mergers, Buy-Outs, Initial Public Offering (IPO) Process, Functions of Money, and the Financial Manager

Week 7: Unit 7 - Cost of Capital: Weighted Cost of Capital (WACC) and the Impact on New Capital Infusions

Week 8: Unit 8 - Course Wrap-Up

Learning Guide: The following is an outline of how this course will be conducted, with suggested best practices for students**.**

Unit 1: Financial Statement Review, Capital Structure, and Bankruptcy Issues

- Read the Learning Guide and Reading Assignments
- Participate in the Discussion Assignment (post, comment, and rate in the Discussion Forum)
- Complete and submit the Written Assignment
- Respond to the Portfolio Activity

Unit 2: Cash Flows and Discount Cash Flow Analysis

- Peer assess Unit 1 Written Assignment
- Read the Learning Guide and Reading Assignments
- Participate in the Discussion Assignment (post, comment, and rate in the Discussion Forum)
- Complete and submit the Written Assignment
- Respond to the Portfolio Activity

Unit 3: Capital Budgets

- Peer assess Unit 2 Written Assignment

- Read the Learning Guide and Reading Assignments
- Participate in the Discussion Assignment (post, comment, and rate in the Discussion Forum)
- Complete and submit the Written Assignment

Unit 4: Investor Yields: Equities and Fixed Income (with tax shield effect)

- Peer assess Unit 3 Written Assignment
- Read the Learning Guide and Reading Assignments
- Participate in the Discussion Assignment (post, comment, and rate in the Discussion Forum)
- Complete and submit the Written Assignment
- Respond to the Portfolio Activity

Unit 5: Methods of Computing Company Valuations

- Peer assess Unit 4 Written Assignment
- Read the Learning Guide and Reading Assignments
- Participate in the Discussion Assignment (post, comment, and rate in the Discussion Forum)
- Complete and submit the Written Assignment
- Respond to the Portfolio Activity

Unit 6: Mergers, Buy-Outs, Initial Public Offering (IPO) Process, Functions of Money, and the Financial Manager

- Peer assess Unit 5 Written Assignment
- Read the Learning Guide and Reading Assignments
- Participate in the Discussion Assignment (post, comment, and rate in the Discussion Forum)
- Complete and submit the Written Assignment
- Begin working on the Group Activity
- Respond to the Portfolio Activity

Unit 7: Cost of Capital: Weighted Cost of Capital (WACC) and the Impact on New Capital Infusions

- Peer assess Unit 6 Written Assignment
- Read the Learning Guide and Reading Assignments
- Participate in the Discussion Assignment (post, comment, and rate in the Discussion Forum)
- Complete and submit the Written Assignment
- Continue working on the Group Activity

Unit 8: Course Wrap-Up

- Peer assess Unit 7 Written Assignment
- Read the Learning Guide and Reading Assignments
- Participate in the Discussion Assignment (post, comment, and rate in the Discussion Forum)
- Respond to the Portfolio Activity
- Submit the Group Activity
- Complete and submit the anonymous Course Evaluation

Course Requirements:

Discussion Assignments & Response Posts/Ratings

Some units in this course require that you complete a Discussion Assignment. You are required to develop and post a substantive response to the Discussion Assignment in the Discussion Forum. A substantive response is one that fully answers the question that has been posted by the instructor. In addition, you must extend the discussion by responding to at least three (3) of your peers' postings in the Discussion Forum and by rating their posts. Instructions for proper posting and rating are provided inside the Discussion Forum for each week. Discussion Forums are only active for each current and relevant learning week, so it is not possible to contribute to the forum once the learning week has come to an end. Failure to participate in the Discussion Assignment by posting in the Discussion Forum and responding to peers as required may result in failure of the course.

Written Assignments & Assessment Forms

Most units in this course require that you complete a Written Assignment, which may come in many forms (case study, research paper, etc.). You are required to submit your assignments by the indicated deadlines and, in addition, to peer assess three (3) of your classmates' assignments according to the instructions found in the Assessment Form, which is provided to you during the following week. During this peer assessment period, you are expected to provide details in the feedback section of the Assessment Form, indicating why you awarded the grade that you did to your peer. Please note that each assignment grade is comprised of a combination of your submission (90%) and your peer assessments (10%). Failure to submit Written Assignments and/or Assessment Forms may result in failure of the course.

Group Activities

During this course, you will be required to complete work as part of a small group. Group work is an important component of your coursework, as it allows you to deepen relationships with classmates, and gain a more thorough understanding of the topics presented in this course. Further, group work mimics the business environment in which projects are often conducted in small teams across different departments. You will be randomly assigned to your groups and are expected to work with your teammates throughout the term for all group activities.

Portfolio Activities

Portfolio Activities are tools for self-reflection and evaluation within the context of the course. These activities are designed as a means to document and reflect upon your learning process and critical thinking skills. Ideally, you will draw from your experiences inside and outside of the classroom, as well as what you've learned in other courses, to showcase your overall growth and examine ways in which you can continue to develop and sharpen your professional goals. Portfolio Activities will be useful to you as part of your Capstone experience.

Course Forum

The Course Forum is the place to raise issues and questions relating to the course. It is regularly monitored by the instructors and is a good place to meet fellow students taking the same course. While it is not required to participate in the Course Forum, it is highly recommended.

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Course Policies:

Grading Components and Weights

Each graded component of the course will contribute some percentage to the final grading scale, as indicated here:

Category	**Weight**
Discussion Assignment	20%
Written Assignments	30%
Group Activity	25%
Portfolio Activity	25%
TOTAL	**100%**

Grading Scale

This course will follow the standard 100-point grading scale defined by the University of the People, as indicated here:

Letter Grade	**Grade Scale**	**Grade Points**
A+	98-100	4.00
A	93-97	4.00
A-	90-92	3.67
B+	88-89	3.33
B	83-87	3.00
B-	80-82	2.67
C+	78-79	2.33
C	73-77	2.00
C-	70-72	0.00
D+	68-69	0.00
D	63-67	0.00
D-	60-62	0.00
F	Under 60	0.00
CR	N/A	N/A
NC	N/A	N/A
NF	N/A	N/A
W	N/A	N/A

Grade Appeal

If you believe that the final grade you received for a course is erroneous, unjust, or unfair, please contact your course instructor. This must be done within seven days of the posted final grade. For more information on this topic, please review the Grade Appeal Procedure in the University Catalog.

Participation

Non-participation is characterized by the lack of any assignment submissions, inadequate contributions to the Discussion Forums, and/or lack of peer feedback to Discussion/Written Assignments. Also, please note the following important points about course participation:

- Assignments must be submitted on or before the specified deadline. A course timeline is provided in the course schedule, and the instructor will specify deadlines for each assignment.
- Any student showing non-participation for two weeks (consecutive or non-consecutive) is likely to automatically fail the course.
- Occasionally there may be a legitimate reason for submitting an assignment late. Most of the time, late assignments will not be accepted and there will be no make-up assignments.
- All students are obligated to inform their instructor in advance of any known absences which may result in their non-participation.

Academic Honesty and Integrity

When you submit any work that requires research and writing, it is essential to cite and reference all source material. Failure to properly acknowledge your sources is known as "plagiarism" – which is effectively passing off an individual's words or ideas as your own. University of the People adheres to a strict policy of academic honesty and integrity. Failure to comply with these guidelines may result in sanctions by the University, including dismissal from the University or course failure. For more information on this topic, please review the Academic Integrity Policy in the University Catalog.

Any materials cited in this course should be referenced using the style guidelines established by the American Psychological Association (APA). The APA format is widely used in colleges and universities across the world and is one of several styles and citation formats required for publication in professional and academic journals. Purdue University's Online Writing LAB (OWL) is a free website that provides excellent information and resources for understanding and using the APA format and style. The OWL website can be accessed here: https://owl.purdue.edu/owl/purdue_owl.html

Code of Conduct

The University of the People expects that students conduct themselves in a respectful, collaborative, and honest manner at all times. Harassment, threatening behavior, or deliberate embarrassment of others will not be permitted. Any conduct that interferes with the quality of the educational experience is not allowed and may result in disciplinary action, such as course failure, probation, suspension, or dismissal. For more information on this topic, please review the Code of Conduct Policy in the University Catalog.