



University of
New Haven

Business Finance

SECTION I: Course Overview

Course Code: FIN301PRG

Subject Area(s): Finance

Prerequisites: See below

Language of Instruction: English

Total Contact Hours: 45

Recommended Credits: 3

COURSE DESCRIPTION

The role of finance in business is essential. We use financial data to assess current trends, make projections regarding future activities, and to drive decision-making within an organization. This course provides students with an introductory theoretical framework for understanding and analyzing major financial problems of modern companies. Lectures, readings and case studies will illustrate the impact that financial decisions can have on corporate performance and value, and students will receive an overview of how to break down the components of a financial problem and apply the appropriate financial decisions to solve them. The main topics of this course include evaluation of a firm's financial performance, financial analysis, time value of money and interest rates, capital structure, risk and return relationship, cost of capital, and dividend decisions, among others. The knowledge gleaned through this course will be useful for any business student regardless of their intended career path.

LEARNING OBJECTIVES

Upon successful completion of this course, you will be able to:

- Identify problems in the financial area
- Analyze market prices, value drivers and financial measures, e.g., profitability, growth, P/B and P/E ratios, and their relations to estimated fundamental value
- Estimate cash flows, risk, required returns, value of capital projects, and the weighted average cost of capital.
- Apply the net present value (NPV), internal rate of return (IRR) and adjusted present value (APV) method of investment valuation.

PREREQUISITES

Prior to enrollment, this course requires you to have completed Financial Accounting, and it is also recommended that you have an understanding of Statistics.

SECTION II: Instructor & Course Details

INSTRUCTOR DETAILS

Name: TBD
Contact Information: TBD
Term: SUMMER

GRADING & ASSESSMENT

The instructor will assess your progress towards the above-listed learning objectives by using the forms of assessment below. Each of these assessments is weighted and will count towards your final grade. The following section (Assessment Overview) will provide further details for each.

Engagement	20%
Group Financial Project Paper	20%
Group Financial Project Presentation	20%
Midterm Exam	20%
Final Exam	20%

ASSESSMENT OVERVIEW

This section provides a brief description of each form of assessment listed above. Your course instructor will provide further details and instructions during class time.

Engagement (20%): Engagement in class is expected of all CEA CAPA students. Guidelines for engagement can be found on the list of academic policies.

Group Financial Project (20% paper, 20% presentation): The financial group project is an essential part of the course, as it allows the student to apply all the main concepts explained to a real case. Students must choose a company; analyze its financial statements; calculate the main financial ratios (profitability, growth, P/B and P/E ratios, liquidity, etc.); and apply the net present value (NPV), internal rate of return (IRR), and adjusted present value (APV) method of investment valuation, among others.

Midterm & Final Exams (20% each): These are intended to assess your comprehension of the core concepts from the course, and will draw on lectures, assigned readings, and classroom discussions. The format includes a combination of matching terms with definitions, short answer, and essay questions. The exams will require students to provide clearly defined correct answers, allowing assessment of the degree to which students have successfully mastered the essential content from the course. Through these tests, students will be required to evaluate financial information and reformulate it to identify a firm's business strategy and value drivers.

ACTIVE LEARNING

CEA CAPA courses are designed to include a variety of active learning component that will take you out of the classroom and allow you to explore your local, host city. This course includes:

- Guest Speaker: leader from local business with experience relevant to the themes of this course.
- Site visit to local business that relates to themes of this course.

REQUIRED READINGS

The reading assignments for this course are listed below. All required readings must be completed according to the due date assigned by the course instructor. You will not need to purchase these readings; the instructor will provide these selected readings to you in class (either in paper or electronic format) and/or through CEA CAPA's online Moodle classroom.

SELECTED READING(S): The selected readings for this course are listed below. You will not need to purchase these readings; the instructor will provide these selected readings to you in class (either in paper or electronic format).

- Ross, Stephen; Westerfield, Randolph; Jordan, Bradford (2020). *Essentials of Corporate Finance*: 10th Edition.

Business Cases:

- Jaguar Land Rover plc: Bond Valuation. Ivey Publishing (2015).
- Under Armour Under Pressure: Ratio Analysis. Ivey Publishing (2018).
- Teuer Furniture: Discounted Cash Flow Valuation. Kellogg School of Management (2014).
- Time Value of Money: The Buy Versus Rent Decision. Harvard Business School Press (2014).
- Costco Wholesale Corp. Financial Statement Analysis. Stanford School of Business (2003).
- Toy World, Inc. Harvard Business School Press (1994).
- Hong Kong Dragon Airlines Limited: Determining the Cost of Capital. University of Hong Kong (2010).

Articles:

- "Finance Reading: Risk and Return 1: Stock Returns and Diversification", Harvard Business Press (2017).
- "Finance Reading: Risk and Return 2: Portfolio Theory", Harvard Business Press (2017).
- "Why Financial Statements Don't Work for Digital Companies", Harvard Business Press (2018).
- "Finance Reading: Time Value of Money", Harvard Business Press (2015).
- "Who Needs Budgets?", Harvard Business Press (2003).
- "How Long Should You Borrow Short Term?", Harvard Business Press (1986).

RECOMMENDED READINGS

The recommended reading(s) and/or text(s) for this course are below. These recommended readings are not mandatory, but they will assist you with research and understanding course content.

- *A Primer on Risk-Free Bonds*. Harvard Business School Press (2019).
- *Financial Accounting Reading: Analysing Financial Statements*. Harvard Business School Press (2017).
- *Financial Accounting Reading: Preparing Financial Statements - Statements of Income and Cash Flows*. Harvard Business School Press (2017).
- *Financial Accounting Reading: Preparing Financial Statements - The Balance Sheet*. Harvard Business School Press (2017).
- *Financial Accounting Reading: Introduction to Valuation*. Harvard Business School Press (2017).
- *Ten Ways to Create Shareholder Value*. Harvard Business School Press (2006).
- *Financial Statements: The Elements of Managerial Finance*. Harvard Business School Press (2002).
- *Finding Meaning in Financial Statements: A Look Behind the Numbers*. Harvard Business School Press (2002).
- *Finance Reading: Introduction to Bonds and Bond Math*. Harvard Business School Press (2016).
- Journal of Corporate Finance
- Journal of Finance
- Journal of Financial Economics
- Journal of Applied Corporate Finance
- Journal of Banking and Finance
- Emerging Markets Review

KEY RESOURCES

In order to ensure your success abroad, CEA CAPA has provided the academic resources listed below.

- **UNH Online Library:** As a CEA CAPA student, you will be given access to the online library of the University of New Haven (UNH). You may access the UNH online library [here](#). You must comply with [UNH Policies](#) regarding library usage.
- **CEA CAPA Classroom – Moodle**

COURSE CALENDAR
Business Finance

SESSION	TOPICS	ACTIVITY	READINGS & ASSIGNMENTS
1	<p style="text-align: center;">Course Introduction: Review Syllabus, Classroom Policies</p> <p style="text-align: center;">Financial Management</p> <p style="text-align: center;">Financial Statements: Income Statement</p>	<p style="text-align: center;">Course Overview Lecture and open debate</p> <p style="text-align: center;">Discussion: Article: Why Financial Statements Don't Work for Digital Companies</p>	<p>Reading: Ross, Westerfield, and Jordan (2020). Ch: 1.</p> <p>Assignments: Article study & questions</p>
2	Understanding Financial Statements	<p style="text-align: center;">Lecture and open debate</p> <p style="text-align: center;">In class activity: Cases: Costco Wholesale Corp. Financial Statement Analysis, Toy World, Inc.</p>	<p>Reading: Ross, Westerfield, and Jordan (2020). Ch: 2, 3</p> <p>Assignments: Case study & questions</p>
3	<p style="text-align: center;">The Time Value of Money</p> <p style="text-align: center;">Interest Rates and Bond Valuations</p>	<p style="text-align: center;">Lecture and open debate</p> <p style="text-align: center;">In class activity: Case: Time Value of Money: The Buy Versus Rent Decision</p> <p style="text-align: center;">Discussion: Article: Finance Reading: Time Value of Money.</p> <p style="text-align: center;">In class activity: Case: Jaguar Land Rover plc: Bond Valuation.</p>	<p>Reading: Ross, Westerfield, and Jordan (2020). Ch: 4, 6</p> <p>Assignments: Case and article study & questions</p>
4	<p style="text-align: center;">Equity Markets and Stock Valuation</p> <p style="text-align: center;">Net Present Value and Other Investment Criteria</p>	Lecture, open debate and application	<p>Reading: Ross, Westerfield, and Jordan (2020). Ch: 7, 8</p> <p>Assignments: Case study & questions</p>

5	<p style="text-align: center;">Guest Speaker</p> <p style="text-align: center;">Risk and Return</p>	<p>Lecture and open debate</p> <p style="text-align: center;">In class activity: Article: Finance Reading: Risk and Return 1: Stock Returns and Diversification Article: Finance Reading: Risk and Return 2: Portfolio Theory</p>	<p>Reading: Ross, Westerfield, and Jordan (2020). Ch: 11</p> <p>Assignments: Article study & questions</p>
6	<p style="text-align: center;">Cash Flow Estimation</p> <p style="text-align: center;">Capital Budgeting Decision Models</p>	<p>Lecture and open debate</p> <p style="text-align: center;">In class activity: Case: Teuer Furniture: Discounted Cash Flow Valuation. Discussion: Article: Who Needs Budgets? <i>Midterm Exam Review</i></p>	<p>Reading: Ross, Westerfield, and Jordan (2020). Ch: 5, 9</p> <p>Assignments: Article study & questions</p>
7	MIDTERM EXAM		
8	<p style="text-align: center;">The Cost of Capital</p>	<p>Lecture and open debate</p> <p style="text-align: center;">In class activity: Case: Hong Kong Dragon Airlines Limited: Determining the Cost of Capital.</p>	<p>Reading: Ross, Westerfield, and Jordan (2020). Ch: 12</p> <p>Assignments: Case study & questions Assignments: Group Financial Project Presentations</p>
9	<p style="text-align: center;">Leverage and Capital Structure</p> <p style="text-align: center;">Raising Capital</p>	<p>Lecture and open debate</p> <p style="text-align: center;">In class activity: Case: Under Armour Under Pressure: Ratio Analysis. In class activity: Group Presentations</p>	<p>Reading: Ross, Westerfield, and Jordan (2020). Ch: 13, 15</p> <p>Assignments: Case study & questions</p> <p>Assignments: Group Financial Project Presentations cont.</p>

10	Dividends, Dividend Policy, and Stock Splits	Lecture and open debate In class activity: Group Presentations cont.	Reading: Ross, Westerfield, and Jordan (2020). Ch: 14
11	Review for Final Exam Field Study	Bring questions for our in-class review <i>Field Study</i>	Reading: Review all readings. Assignments: Review all notes and assignments.
12	FINAL EXAM		

SECTION III: CEA CAPA Academic Policies

To see all CEA CAPA academic policies outlined, please follow the following links. Students are expected to review and understand all CEA CAPA student policies, including the academic policies outlined online. CEA CAPA reserves the right to change, update, revise, or amend existing policies and/or procedures at any time.

Class & Instructor Policies can be found [here](#)

General Academic Policies can be found [here](#)