

PELLISSIPPI STATE TECHNICAL COMMUNITY COLLEGE
MASTER SYLLABUS

FINANCIAL MANAGEMENT I
CUE 2450

Class Hours: 3.0

Credit Hours: 3.0

Laboratory Hours: 0.0

**Date Revised: Spring
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NOTE: This course is not designed for transfer credit.

Catalog Course Description:

An introduction to general concepts in finance and their application to credit union financial management. This is the first in a two-part series on financial management.

Entry Level Standards:

High school graduate and employee of a credit union.

Prerequisite:

CUE 2000

Textbook(s) and Other Course Materials:

Management of Credit Union Finance, Kendall-Hunt Publishing Co., Dubuque, IA, 1991
Financial Institutions, Investments and Management: An Introduction, 5th edition, by Mayo, Dryden Press, Fort Worth, TX, 1995 (hereafter cited as FIIM: An Introduction)

I. Week/Unit/Topic Basis:

Week	Topic
1	The basics of finance and financial management; The role the financial services industry, including credit unions, play in the economy.
2	How money and credit are created and what factors affect the supply and cost of credit including GAP analysis.
3	The Federal Reserve, its structure, and its tools.
4	International finance.
5	Security markets.
6	The time value of money.
7	Financial risk in general and funds management policy for credit unions.
8	Mid-term.
9	Investing in long-term debt.

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| 10 | Equity and Capitalization. |
| 11 | The valuation of common stock, convertible bonds, convertible preferred stock, and future options. |
| 12 | Analysis of financial statements including ratio and trend analysis. |
| 13 | Break-even analysis and leverage in general and as related to credit union pricing of member services. |
| 14 | Forecasting and budgeting; the cost of capital and capital budgeting. |
| 15 | Final Exam |
| 16 | CUNA National Exam |

II. Course Objectives*:

- A. Understand the role of the financial services industry in the economy. I, II
- B. Understand and be able to evaluate risk in terms of general and funds management policy for credit unions. I, II
- C. Understand and analyze financial statements. I, II

*Roman numerals after course objectives reference goals of the Business and Community Services department.

III. Instructional Processes*:

Students will:

1. Take part in course assignments such as team discussions; team case studies; team projects; experiential exercises; oral, written, PowerPoint, and/or email presentations; Internet research; etc. to help develop teamwork, leadership, and followership skills. *Communication Outcome, Personal Development Outcome, Cultural Diversity & Social Adaptation Outcome, Information Literacy Outcome, Transitional Strategy, Active Learning Strategy*
2. Perform course assignments such as team discussions; team case studies; team projects; experiential exercises; oral, written, PowerPoint, and/or em presentation; Internet research; etc. to help develop critical thinking, problem solving, goal setting, and planning skills. *Communication Outcome, Personal Development Outcome, Cultural Diversity & Social Adaptation Outcome, Problem Solving and Decision Making Outcome, Information Literacy Outcome, Transitional Strategy, Active Learning Strategy*
3. Practice elements of the work ethic such as professionalism, preparedness, punctuality, honesty, cooperation, dependability, contribution, effectiveness, and good manners. *Personal Development Outcome, Transitional Strategy*

*Strategies and outcomes listed after instructional processes reference Pellissippi State' s goals for strengthening general education knowledge and skills, connecting coursework to experiences beyond the classroom, and encouraging students to take active and responsible roles in the educational process.

IV. Expectations for Student Performance*:

Upon successful completion of this course, the student should be able to:

1. Understand the basic concept of sources and uses of funds and how they apply to credit unions. A
2. Define what money is; the measures of the money supply, and the role of interest in allocating credit. A
3. Become acquainted with the Federal Reserve, what function the Fed performs and the tools the Fed uses to perform its function. A
4. Define and explain the terms "foreign exchange market" and "exchange rate". B
5. Become familiar with the differences between an organized exchange (trading floor NYSE) and unorganized exchange (OTC Market). B
6. Be able to explain the future value of a dollar and calculate. B
7. Identify what causes assets to be risky and how a portfolio can reduce risk. B
8. Understand the various kinds of risks and how they interact. B
9. Describe the characteristics of preferred stock and be able to differentiate between preferred stock and long-term debt. C
10. Understand the preferred stock valuation model, common stock with growth dividends, and common stock with no growth dividends. C
11. Define and discuss two types of securities: convertible bonds and convertible preferred stocks. C
12. Understand what a Futures contract is and how they facilitate trading among strangers. C
13. Describe and explain use of balance sheets and income statements and how they interact. C
14. Understand how break-even analysis can be used to study the impact of changes in price. C
15. Know the various plans or approaches that can be used to price credit union products and services. C

*Letters after performance expectations reference the course objectives listed above.

V. Evaluation:

A. Testing Procedures: 100% of grade

Two Quizzes - 20% each
Mid-Term and Final - 30% each

B. Laboratory Expectations:

N/A

C. Field Work:

Class Project - to be researched at work place and presented in the classroom for evaluation

and discussion.

D. Other Evaluation Methods:

N/A

E. Grading Scale:

90-100	A
80-89	B
70-79	C
60-69	D
Below 60	F

VI. Policies:

Attendance Policy:

Pellissippi State Technical Community College expects students to attend all scheduled instructional activities. As a minimum, students in all courses must be present for at least 75 percent of their scheduled class and laboratory meetings in order to receive credit for the course.