NOTE: This course is not designed for transfer credit.

Catalog Course Description:

Applications and issues in credit union financial management.

Entry Level Standards:

This is one of the more difficult courses in the certificate program and is recommended to be taken toward the end of the program.

Prerequisite:

CUE 2450

Textbook(s) and Other Course Materials:


I. Week/Unit/Topic Basis:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1</td>
<td>Introduction - basics of finance and financial management.</td>
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<tr>
<td>2</td>
<td>Role the financial services industry including credit unions, plays in the economy.</td>
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<td>3</td>
<td>How money and credit are created and what factors affect the supply and cost of credit including GAP analysis.</td>
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<td>4</td>
<td>International finance.</td>
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<td>5</td>
<td>Security Markets.</td>
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<tr>
<td>6</td>
<td>Time value of money</td>
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<tr>
<td>7</td>
<td>Review and midterm</td>
</tr>
<tr>
<td>8</td>
<td>Finance risk in general and funds management policy for credit unions.</td>
</tr>
<tr>
<td>9</td>
<td>Investing in long term debt</td>
</tr>
<tr>
<td>10</td>
<td>Equity and capitalization</td>
</tr>
</tbody>
</table>
Valuation of common stock, convertible bonds, convertible preferred stock and futures and options.

Analysis of financial statements including ratio and trend analysis.

Break-even analysis and operation leverage in general and as related to credit union pricing of member services.

Forecasting and budgeting.

Cost of capital and review

II. Course Objectives*:

A. Develop an understanding of the role financial services industry, including credit unions, play in the economy. I, II

B. Understand how sound financial management in important for credit union long term planning. I, II

C. Become familiar with credit union operations in regards to assets, investments and operating expense. 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 email 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. Define the various areas of finance.  A
2. Explain how commercial banks expand the supply of money and credit.  B
3. Understand the terms "foreign exchange market" and "exchange rate".  A
4. Recognize problems that requires you to calculate future value and to perform such calculations successfully.  B
5. Explain how a group of different assets (often called a portfolio) can reduce a risk.  C
6. Identify various types of bonds reviewed.  C
7. Understand that value is determined by the cash flow a share of common stock generates and how risky that cash flow is.  B
8. Define certain ratios used in analyzing credit union operations and describe trend analysis.  C
9. Identify the limitation of breakeven analysis.  B
10. Understand the management implications of the budgeting process.  B
11. Understand how the degree of financial leverage and the degree of operating leverage combine to affect the risk of a firm.  B,C
12. Understand how to compute a pay back period and explain a serious weakness of the pay back period.  B
13. Compute the cost of capital for each component of a firm's capital structure.  C

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

V. Evaluation:

A. Testing Procedures: 60% of grade
   Quizzes every two to three chapters - 20% of grade
   Two major exams - 40% of grade

B. Laboratory Expectations:
   N/A

C. Field Work:
   N/A

D. Other Evaluation Methods: 40% of grade
   Written homework - 25% of grade
   Class attendance - 15% of grade

E. Grading Scale:
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.