

PELLISSIPPI STATE TECHNICAL COMMUNITY COLLEGE  
MASTER SYLLABUS

**CREDIT UNION FINANCE**  
**CUE 2500**

**Class Hours: 3.0**

**Credit Hours: 3.0**

**Laboratory Hours: 0.0**

**Date Revised: Spring  
00**

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:**

*Finance: An Introduction*, Dryden, 3rd edition.

*Management of Credit Union Finance: Procedures and Control*, CUNA, latest edition.

*Credit Union Financial Management*, Course Guide, CUNA latest edition.

**I. Week/Unit/Topic Basis:**

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

- 11 Valuation of common stock, convertible bonds, convertible preferred stock and futures and options.
- 12 Analysis of financial statements including ratio and trend analysis.
- 13 Break-even analysis and operation leverage in general and as related to credit union pricing of member services.
- 14 Forecasting and budgeting.
- 15 Cost of capital and review
- 16 Final Exam

## 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 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. 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:

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.