FINANCIAL MANAGEMENT  
FIN 2000

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:

A survey of the essentials of business finance as applied to corporations, small firms, and governmental units. Topics include financial needs, financial institutions, financial instruments, concepts of risk and return, ratio analysis, capital budgeting, interest rates and liability management.

Entry Level Standards:

The student must be able to read and comprehend at the college level. The student must have a working knowledge of college level algebra and business mathematics.

Prerequisites:

ACC 2110 and MTH 1050

Textbook(s) and Other Reference Materials Basic to the Course:

3.5 inch computer disk
Graphing calculator: Preferably a TI83, however a TI82 or TI81 is acceptable

I. Week/Unit/Topic Basis:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>An Overview of Financial Management</td>
</tr>
<tr>
<td>2</td>
<td>Financial Forecasting; Working Capital Policy and Short Term Credit</td>
</tr>
<tr>
<td>3</td>
<td>The Financial Environment: Markets, Institutions, and Interest Rates; Risk and Rates of Return</td>
</tr>
<tr>
<td>4</td>
<td>The Time Value of Money</td>
</tr>
<tr>
<td>5</td>
<td>The Time Value of Money</td>
</tr>
<tr>
<td>6</td>
<td>Bonds and Their Valuation</td>
</tr>
<tr>
<td>7</td>
<td>Stocks and Their Valuation</td>
</tr>
</tbody>
</table>
II. Course Objectives*

A. Demonstrate knowledge of the objective of Financial Management. I,II,III

B. Develop an understanding of the American Financial System. I,II,III

C. Use financial statements and cash flow information in analysis of a firm. I,II,III

D. Demonstrate knowledge of the time value of money. V,VI

E. Demonstrate knowledge of how long term investment decisions should be made. V,VI,VII

F. Develop an understanding of how long term financing decisions should be made. I,V,VI

*Roman numerals after course objectives reference goals of the Business and Computer Technologies department.

III. Instructional Processes*

Students will:

1. Collaborate in teams to analyze and solve finance problems. Communication Outcome, Active Learning Strategies, Problem Solving and Decision Making Outcome, Cultural Diversity and Social Adaptation Outcome, Numerical Literacy Outcome

2. Apply appropriate decision making skills to given situations. Personal Development Outcome, Problem Solving and Decision Making Outcome, Numerical Literacy Outcome

3. Learn elements of the work ethic, such as punctuality, professionalism, dependability, cooperation and contribution. Personal Development Outcome, Cultural Diversity and Social Adaptation Outcome, Transitional Strategy

4. Through peer evaluations, impose and experience group sanctions and participation. Communication Outcome, Personal Development Outcome, Problem Solving and Decision Making Outcome

5. Use spreadsheet software to assist in solving financial problems. Problem Solving and Decision Making Outcome, Technological Literacy Outcome, Numerical Literacy Outcome, Active Learning Strategy
6. Use critical thinking skills to interpret, evaluate, and make informed judgments. *Personal Development Outcome, Problem Solving and Decision Making Outcome, Numerical Literacy Outcome, Active Learning 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. Describe financial management. A
2. Identify the finance function within a firm. A
3. Discuss maximization of stockholder wealth. A
4. Discuss how interest rates and the cost of capital are determined. B
5. Describe risk, return, and market efficiency. B
6. Determine bond values and yields. B
7. Determine common stock values. B,D
8. Discuss the relationship between risk, return, and market price. B,D
9. Describe information conveyed in basic financial statements. C
10. Identify the differences between net cash flow and net income. C
11. Discuss pro forma financial statements. C
12. Calculate the present value of a stream of cash flows. D
13. Determine the interest rate of an investment. D
14. Describe portfolio risk. D
15. Discuss the capital asset pricing model. D
16. Define beta. D
17. Discuss the capital budgeting process. E
18. Describe how to estimate cash flows. C,E
19. Explain how capital budgeting projects are selected. E
20. Discuss how replacement decisions should be made. E
21. Identify the sources of long-term funds. E
22. Describe the characteristics of long-term debt. F
23. Identify the characteristics of common stock. F
*Letters after performance expectations reference the course objectives listed above.

V. Evaluation:

A. Testing Procedures:

    The instructor's policy on exams, quizzes, attendance, and grades will be provided on a supplement to the course syllabus. A minimum of 4 exams is recommended.

B. Laboratory Expectations:

    N/A

C. Field Work:

    N/A

D. Other Evaluation Methods:

    Class participation and homework will also comprise the final grade for the course.

E. Grading Scale:

    92 - 100  A
    89 - 91   B+
    82 - 88  B
    79 - 81  C+
    72 - 78  C
    65 - 71  D
    Below 65  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.