

# Doane University

## Course Information

BUS 606  
Financial Issues for Managers Online S. Horan  
Winter II, 2019 (January 14, 2019 to March 9, 2019)  
3 Credit Hours

## Instructor Information

**Steve Horan, MBA, CPA, CGMA**  
Adjunct Professor, Doane University

## Contact Information

Email Address: Steven.Horan@doane.edu  
Phone: 605-321-0092

## Communicating With the Instructor

This course uses a “three before me” policy for student to faculty communications. When questions arise during the course of this class, please remember to check these three sources for an answer before asking me to reply to your individual questions:

1. Course syllabus
2. Announcements in Blackboard
3. The Q & A discussion board

This policy will help you in potentially identifying answers before I can get back to you and it also helps your instructor avoid answering similar questions or concerns multiple times.

If you cannot find an answer to your question, please first post your question to the Q & A questions discussion board. Here your question can be answered for the benefit of all students by either your fellow students who know the answer to your question or the instructor. You are encouraged to answer questions from other students in the discussion forum when you know the answer to a question in order to help provide timely assistance.

If you have questions of a personal nature such as relating a personal emergency, questioning a grade on an assignment, or something else that needs to be communicated privately, you are welcome to contact me via email, phone or text message. My preference is that you will try to email me first. I will usually respond to email and phone messages within 24 hours on weekdays, and 48 hours on weekends.

If you have a question about the technology being used in the course, please contact the Doane University Help Desk for assistance (contact information is listed below).

## Course Catalog Description

A course designed for non-financial managers, emphasizing the use of both accounting and financial information as decision-making tools. Students learn to assess the financial

strength of an organization through financial ratio analysis, and to examine factors considered in financial and investment decisions. The course is taught using readings, problem analyses, and case studies. *Required core course.*

## **Course Textbook and Materials**

### **Required**

*Finance for Strategic Decision Making: What Non-Financial Managers Need to Know*, by M.P. Narranyannan and Vikram K. Nanda, 2004. ISBN 0787965170. Hardback.

Doane bookstore website: <http://bookstore.doane.edu/doanelg/>

## **Learning Objectives**

### **Course Objectives**

This is an overview course designed to develop a clear understanding of the tools and skill necessary for use by those in both financial and non-financial positions in today's business environment. Upon complete of the course, students will:

- Be able to appropriately analyze and plan for the overall financial health of an organization in today's chaotic business environment.
- Be familiar with the concepts of financial ratio analysis.
- Understand the use of finance in corporate strategy making, cost of capital, net present value, corporate financing, mergers and acquisitions, divestitures, and risk management.
- Understand corporate financial planning and forecasting.
- Financially based performance evaluations.

The course will take a non-technical approach to understanding these concepts. During the eight-week session a combination of lectures, case studies and other assignments will be utilized to provide the students with a sound perspective of financial management concepts and practical applications. There will be a comprehensive examination covering the pertinent financial management tools covered during the term.

### **Course Outline and Text Assignments**

#### **Session 1 – Finance and Corporate Strategy (pp. 1-12 in text)**

- Course Introduction
- Shareholder Value
- Finance and Corporate Strategy

#### **Session 2 –The Resource Allocation Decision (pp. 12-53)**

- Net Present Value
- Internal Rate of Return
- Estimating Expected Cash Flows
- Value Drivers
- Strategic Considerations

### **Session 3 – Cost of Capital: Capital Structure and Financing (pp. 55-112)**

- Weighted Average Cost of Capital (WACCC)
- Capital Structure Under Perfect Market Conditions
- Market Imperfections
- Trade Off Approaches to Capital Structure
- Debt/Equity Conflicts
- Sources of Capital

### **Session 4 – Payout Policy: Mergers and Acquisition (pp. 113-178)**

- Payouts and Their Rationale
- Share Repurchases and Dividends
- Acquisition Strategy
- Determining the Cost of an Acquisition

### **Session 5 – Divestitures (pp. 179-209)**

- Reasons for Divestiture
- Structure of Divestiture

### **Session 6 – Risk Management (pp. 211-246)**

- Risks That Should be Managed
- Reduction, Retention, and Transferral of Risk
- Using Derivatives to Transfer Risk
- Using Insurance to Transfer Risk

### **Session 7 – Performance Evaluations (pp. 247-284)**

- Economic Profit
- Measuring Economic Profit
- Economic Profit vs. Other Measures of Performance Evaluation
- Economic Profit and Shareholder Value

## **Session 8 – What Have We Learned?**

- Comprehensive Examination

## **Course Requirements**

### **Online Course**

This is an online course and therefore there will not be any face-to-face class sessions. All assignments and course interactions will utilize internet-based technologies.

### **Attendance Policy**

You should plan to work on this course everyday. This means that you must have a reliable and consistent internet connection throughout the duration of the course. It is strongly recommended that you not take any vacations during this course. This is a condensed, fast-paced course and it would be extremely difficult to catch up after a prolonged absence.

### **Course Preparation and Participation**

*Preparation* for class means reading the assigned readings & reviewing all information required for that week. *Attendance* in an online course means logging into the Blackboard and on a regular basis and *participating* in the all of activities that are posted in the course.

### **Studying and Preparation Time**

The course requires you to spend time preparing and completing assignments. A three-credit course requires 144 hours of student work. Therefore expect to spend approximately 18 hours a week preparing for and actively participating in this 8-week course.

### **Computer Requirements**

This course requires that you have access to a computer that can access the internet. You will need to have access to, and be able to use, the following software packages:

- A web browser (Chrome or Mozilla Firefox)
- Adobe Acrobat Reader (free)
- Adobe Flash Player (free)
- Word processing software—Microsoft Word or Google Docs

You are responsible for having a reliable computer and internet connection throughout the course.

### **Email and Internet**

You must have an active Doane University e-mail account and access to the Internet. *All instructor correspondence will be sent to your Doane University e-mail account.* Please plan on checking your Doane Gmail account regularly for course related messages.

This course uses Blackboard for the facilitation of communications between faculty and students, submission of assignments, and posting of grades. The Blackboard Course Site can be accessed at <http://bb2.doane.edu>

### **Campus Network or Blackboard Outage**

When access to Blackboard is not available for an extended period of time (greater than one entire evening - 6pm till 11pm) you can reasonably expect that the due date for assignments will be changed to the next day (assignment still due by midnight).

### **Late or Missed Assignments**

ALL assignments must be finished and turned in to complete the course. Unless the instructor is notified BEFORE the assignment is due, it is automatically docked 20% each day it is late.

Federal requirements state that students must complete 75% of the course work to be eligible to receive an incomplete for the course. If students fall more than two weeks behind, they cannot meet this requirement.

### **Submitting Assignments**

All assignments, unless otherwise announced by the instructor, must be submitted via Blackboard. Each assignment will have a designated place for submission.

### **Drop and Add dates**

If you feel it is necessary to withdraw from the course, please contact your advisor for full details on the types of withdrawals that are available and their procedures.

### **Subject to change notice**

All material, assignments, and deadlines are subject to change with prior notice. It is your responsibility to stay in touch with your instructor, review the course site regularly, or communicate with other students, to adjust as needed if assignments or due dates change.

### **Academic Integrity**

Doane University expects and requires all its students to act with honesty and integrity, and respect the rights of others in carrying out all academic assignments. Academic dishonesty, the act of knowingly and willingly attempting or assisting others to gain academic success by dishonest means, is manifested in various measures. Gehring, et al, (1986) suggests that four categories of academic dishonesty exist<sup>1</sup>:

- a. Cheating
- b. Fabrication
- c. Facilitating academic dishonesty
- d. Plagiarism

For more information on academic integrity, please visit the website:

<http://catalog.doane.edu/content.php?catoid=4&navoid=191>

## **Course Grading**

### **Grades and Grading Scale**

Assignment of letter grades is based on a percentage of points earned. The letter grade will correspond with the following percentages achieved. All course requirements must be completed before a grade is assigned.

A	100 – 90
B	89 – 80
C	79 – 70
D	69 – 60
E	59 and below

**See the requirements for the specific Assignments on Blackboard.**

## **How to Succeed in this Course**

- Check your Doane email regularly
- Log in to the course web site daily
- Communicate with your instructor
- Create a study schedule so that you don't fall behind on assignments

## **Technical Support Contact Information**

For technical assistance 24 hours a day, 7 days a week, please contact the Doane University Technology Office Help Desk:

Phone: 402-826-8411

Email: [helpdesk@doane.edu](mailto:helpdesk@doane.edu)

Web: <http://www.doane.edu/about-doane/offices/its/help-and-support>

## **Accessibility Statement**

In compliance with the Rehabilitation Act of 1973, Section 504, and the Americans with Disabilities Act of 1990, professional disability specialists and support staff at Doane University facilitate a comprehensive range of academic support services and accommodations for qualified students with disabilities. Doane University staff coordinate transition from high schools and community colleges, in-service training for faculty and staff, resolution of accessibility issues, community outreach, and collaboration between all Doane University regarding disability policies, procedures, and accommodations.

## **Accessibility Services**

Doane University Access/Services for Students with Disabilities

<http://www.doane.edu/disability-services>

Contact Person: Angie Klasek Phone: 402.466.4774 Email: [angie.klasek@doane.edu](mailto:angie.klasek@doane.edu)

## **Academic Support**

Contact Person: Tere Francis Phone: 402.466.4774 Email: [terese.francis@doane.edu](mailto:terese.francis@doane.edu)

## **Student Services**

<http://www.doane.edu/gps/student-services>

## **Student Conduct Statement**

Students are required to adhere to the behavior standards listed in **Doane University Policy Manual**

Appropriate classroom behavior is defined by the instructor. This includes the number and length of individual messages online. Course discussion messages should remain focused on the assigned discussion topics. Students must maintain a cordial atmosphere and use tact in expressing differences of opinion. Inappropriate discussion board messages may be deleted if an instructor feels it is necessary. Students will be notified privately that their posting was inappropriate.

Student access to the course Send Email feature may be limited or removed if an instructor feels that students are sending inappropriate electronic messages to other students in the course.

## **Syllabus Disclaimer**

The instructor views the course syllabus as an educational contract between the instructor and students. Every effort will be made to avoid changing the course schedule but the possibility exists that unforeseen events will make syllabus changes necessary. The instructor reserves the right to make changes to the syllabus as deemed necessary. Students will be notified in a timely manner of any syllabus changes face-to-face, via email or in the course site Announcements. Please remember to check your Doane University email and the course site Announcements often.