

**Fall 2020**

<b>Meeting days:</b> Mondays	<b>Instructor title and name:</b> Carsten Hennings DBA
<b>Meeting times:</b> 5:30 – 8:15 PM	<b>Phone:</b> (619) 849-2667
<b>Meeting location:</b> MV 315	<b>E-mail:</b> chennin1@pointloma.edu
<b>Final Exam:</b> December 14, 2020	<b>Office location and hours:</b> FSB 128 – By Appointment

**PLNU Mission**

**To Teach ~ To Shape ~ To Send**

Point Loma Nazarene University exists to provide higher education in a vital Christian community where minds are engaged and challenged, character is modeled and formed, and service is an expression of faith. Being of Wesleyan heritage, we strive to be a learning community where grace is foundational, truth is pursued, and holiness is a way of life.

**Fermanian School of Business Mission**

**Character – Professionalism – Excellence – Relationships – Commitment - Innovation**

As members of a vital Christian community, we strive to provide high quality business programs that equip students to make a positive impact in their workplace and community by connecting purpose to practice.

**COURSE DESCRIPTION**

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This course examines various financial management opportunities and challenges faced by corporate decision makers on both theoretical and applied levels. Course topics include the analysis of financial statements, securities valuation, risk and return, mergers and corporate control, cost of capital, securities offerings, financial planning and forecasting, capital budgeting, bankruptcy and reorganization, capital structure and business valuation.

## **COURSE LEARNING OUTCOMES**

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Upon completion of this course, students will be able to:

1. Explain the major theories, concepts, and decision-making areas of financial management (PLO 1).
2. Apply financial management concepts to various business decisions (PLO 2 & 3).
3. Analyze financial management issues and formulate recommendations using analytical and critical thinking skills (PLO 3).
4. Formulate financial management decisions considering ethical values (PLO 5).
5. Support ideas and present information clearly through effective written and verbal communication (PLO 6).
6. Collaborate as an effective team member when making financial management decisions (PLO 7).

## **COURSE CREDIT HOUR INFORMATION**

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In the interest of providing sufficient time to accomplish the stated Course Learning Outcomes, this class meets the PLNU credit hour policy for a 3 unit class delivered over 14 weeks. Specific details about how the class meets the credit hour requirement can be provided upon request.

## **REQUIRED TEXTS AND RECOMMENDED STUDY RESOURCES**

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1. Brigham Ehrhardt, *Financial Management: theory and practice*, 14<sup>th</sup> edition, South-Western Cengage Learning, 2014 (ISBN: 978-1-111-97220-2).
2. Various Harvard Business Review (HBR) case studies and articles – see Canvas for details.
3. Undergraduate Finance Textbook (*recommended to supplement required textbook*) – Example: Keown, Martin & Petty, *Foundations of Finance*, any recent edition.

## **STATE AUTHORIZATION**

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State authorization is a formal determination by a state that Point Loma Nazarene University is approved to conduct activities regulated by that state. In certain states outside California, Point Loma Nazarene University is not authorized to enroll online (distance education) students. If a student moves to another state after admission to the program and/or enrollment in an online course, continuation within the program and/or course will depend on whether Point Loma Nazarene University is authorized to offer distance education courses in that state. It is the student's responsibility to notify the institution of any change in his or her physical location. Refer to the map using the below link to view which states allow online (distance education) outside of California.

<https://www.pointloma.edu/offices/office-institutional-effectiveness-research/disclosures>

## ASSESSMENT AND GRADING

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Students are expected to attend all class sessions, participate in class activities, complete exams as scheduled, and turn in assignments on time, or risk the loss of points. Approximate points available are as follows:

Peregrine Foundations of Finance Pre-requisite Module	50
Chapter Discussions	110
Topic Presentations & Responses & Engagement Points	90
Chapter Homework Assignments	200
Case Studies	75
Mid-Term Exam	225
Final Exam	250
<b>Total Points Available</b>	<b>1,000</b>

**Grading:** The following represents the general grading policy for this class:

93.0-100.0%	A	73.0-76.9%	C
90.0-92.9%	A-	70.0-72.9%	C-
87.0-89.9%	B+	67.0-69.9%	D+
83.0-86.9%	B	63.0-66.9%	D
80.0-82.9%	B-	60.0-62.9%	D-
77.0-79.9%	C+	0-59.9%	F

**Pre-Requisite Module (50 points)** You are required to take the Foundations of Finance course pre-requisite leveling module. The time to complete the module is estimated at 6 to 9 hours, depending on your previous exposure to the subject.

An MBA program staff member has sent registration and completion instructions to your PLNU e-mail. If you have not received these instructions, please notify the professor immediately to avoid late completion penalties.

To successfully complete the module, you must earn a minimum score of 80% on the module post-test. You are allowed to attempt the post-test twice. If you have not achieved a passing score (80%) after two attempts, you will be required to purchase a new module for \$39.00, and continue attempts until a passing score is achieved at the same URL: <https://micro.peregrineacademics.com/pointloma>

The password for the retake module is: **PLNUPAY-1001**

This module is worth 5% of your total course grade. Extra credit is available if you complete the module early. Similarly, earned credit will be reduced according to the timeline given in the table below:

Date	% Grade Earned	Incentive
Aug 24	7%	Early Reward
Aug 31	6%	Early Reward
<b>Sep 14</b>	<b>5%</b>	<b>Full Credit</b>
Sep 21	3%	Late Penalty

\*if the course pre-requisite module has not been completed with a score of 80% or higher by **June 5** meeting, the student will be dropped from the class. Students may receive only a partial refund in accordance with the PLNU refund policy outlined in the catalog.

The percentage earned on the leveling module post-test will be translated into points in conjunction with the extra credit and late penalty percentages as specified in the table below:

Post-test Percentage	Points Earned if completed by Aug	Points Earned if completed by Aug	Points Earned if completed by Sep	Points Earned if completed by Sep
	24	31	14	21
95.00-100	70	60	50	30
90.00-94.99	63	54	45	27
85.00-89.99	56	48	40	24
80.00-84.99	49	42	35	21
<80.00	0	0	0	0

**Chapter Discussions (110 points)** The Chapter Discussion assignment will provide each student an opportunity to share their individual experiences with and exposure to finance. In addition, each student will respond to two other student's postings. Each of the twelve (12) Discussion Question assignments will consist of each student answering one Discussion Question relating to a particular chapter or chapters of the textbook and respond to two answers from the same assignment based upon the Assigned Answers and Responses matrix provided in Canvas (for each Chapter Discussion assignment). Each answer should be based upon the corresponding chapter readings, lectures and other knowledge each student may have. For each response, students are to provide additional insight to their classmate's original answer based upon what has been learned from the assigned reading, video lecture and homework for the corresponding chapter. All Chapter Discussion answers and responses are to be completed directly in Canvas.

**Topic Presentations & Responses (70 points)** Topic Presentation Assignments will consist of a brief student Presentation and the Responses group members will generate after watching each of these Presentations. Each student will research, prepare a slide Presentation and present on one (1) finance topic during the semester. Each Student Presentation should not exceed 5 minutes, will be recorded using Screencast-O-Matic Software, and uploaded into Canvas. Once other students have viewed the Student Presentation and posed questions in Canvas, the student presenter will answer the questions based upon their research and knowledge of the topic. All student Presentations and Responses are to be completed directly in Canvas. A few points will also be awarded for engagement in some Zoom activities. These opportunities will be clearly identified in advance.

**Chapter Homework Assignments (160 points)** There will be eleven (11) Homework Assignments, and the assignments will consist primarily of problems from the end of each chapter and problems provided by the instructor. The specific Homework Assignments, as well as the due date/time for each, will be posted via Canvas. Students should only submit their own original work for Homework Assignments. While working together on Homework Assignments is encouraged, **students cannot share Homework Assignment (Microsoft Excel) files**. Homework Assignments must be prepared using Microsoft Excel and submitted through Canvas. Homework Assignments must include all work and supporting calculations in Excel for credit.

**Case Study Summaries (75 points)** There will be three (3) Case Study Summaries. Case #1 and #2 will be completed in a group, and Case #3 will be completed individually. Case Study Summaries for each assigned case are to be prepared based upon questions relating to the cases as provided by the instructor. The specific case assignments and related questions, as well as the due date/time for each case summary will be posted via Canvas. Case Study Summaries are to be 2 to 3 pages (APA format) in length plus any necessary supporting analysis and calculations. All supporting analysis and calculations must be prepared in Microsoft Excel. A thorough reading and analysis of each case is required to prepare the summaries. Case Study Summaries must be submitted through Canvas.

**Exams (475 points)** Every student must take the mid-term exam and the final exam at the scheduled times. **No makeup exams will be given without PRIOR permission.** I will provide a makeup exam only for absences officially excused by the university Provost or for emergencies completely beyond a student's control, such as a documented illness or injury. You must coordinate any conflict with one of these exams with me as soon as you discover it, preferably not later than 72 hours prior to the exam.

## **INCOMPLETES AND LATE ASSIGNMENTS**

All assignments are to be submitted/turned in when they are due—as posted in Canvas. In general, I assign a grade of 0 for any work submitted late without prior agreement or acceptable reason. Incompletes will only be assigned under extremely unusual circumstances.

## **FINAL EXAMINATION POLICY**

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Successful completion of this class requires taking the final examination **on its scheduled day**. No requests for early examinations or alternative days will be approved.

## **SPIRITUAL CARE**

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PLNU strives to be a place where you grow as a whole person. To this end, we provide resources for our graduate students to encounter God and grow in their Christian faith. At the Mission Valley (MV) campus we have an onsite chaplain, Rev. Gordon Wong, who is available during class break times across the week. If you have questions for, desire to meet or share a prayer request with Rev. Wong you can contact him directly at [mvchaplain@pointloma.edu](mailto:mvchaplain@pointloma.edu) or [gordonwong@pointloma.edu](mailto:gordonwong@pointloma.edu). Rev. Wong's cell number is 808-429-1129 if you need a more immediate response.

In addition, on the MV campus there is a prayer chapel on the third floor which is open for use as a space set apart for quiet reflection and prayer.

## **PLNU COPYRIGHT POLICY**

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Point Loma Nazarene University, as a non-profit educational institution, is entitled by law to use materials protected by the US Copyright Act for classroom education. Any use of those materials outside the class may violate the law.

## **PLNU ACADEMIC HONESTY POLICY**

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Students should demonstrate academic honesty by doing original work and by giving appropriate credit to the ideas of others. Academic dishonesty is the act of presenting information, ideas, and/or concepts as one's own when in reality they are the results of another person's creativity and effort. A faculty member who believes a situation involving academic dishonesty has been detected may assign a failing grade for that assignment or examination, or, depending on the seriousness of the offense, for the course. Faculty should follow and students may appeal using the procedure in the university Catalog. See Academic Policies in the Graduate and Professional Studies Catalog for definitions of kinds of academic dishonesty and for further policy information.

## **PLNU ACADEMIC ACCOMMODATIONS POLICY**

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While all students are expected to meet the minimum standards for completion of this course as established by the instructor, students with disabilities may require academic adjustments, modifications or auxiliary aids/services. At Point Loma Nazarene University (PLNU), these students are requested to register with the Disability Resource Center (DRC), located in the Bond Academic Center. ([DRC@pointloma.edu](mailto:DRC@pointloma.edu) or 619-849-2486). The DRC's policies and procedures for assisting such students in the development of an appropriate academic adjustment plan (AP) allows PLNU to comply with Section 504 of the Rehabilitation Act and the Americans with Disabilities Act. Section 504 (a) prohibits discrimination against students with special needs and guarantees all qualified students equal access

to and benefits of PLNU programs and activities. After the student files the required documentation, the DRC, in conjunction with the student, will develop an AP to meet that student's specific learning needs. The DRC will thereafter email the student's AP to all faculty who teach courses in which the student is enrolled each semester. The AP must be implemented in all such courses.

If students do not wish to avail themselves of some or all of the elements of their AP in a particular course, it is the responsibility of those students to notify their professor in that course. PLNU highly recommends that DRC students speak with their professors during the first two weeks of each semester about the applicability of their AP in that particular course and/or if they do not desire to take advantage of some or all of the elements of their AP in that course.

## **PLNU ATTENDANCE AND PARTICIPATION POLICY**

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Regular and punctual attendance at all **synchronous** class sessions is considered essential to optimum academic achievement. If the student is absent for more than 10 percent of class sessions (virtual or face-to-face), the faculty member will issue a written warning of de-enrollment. If the absences exceed 20 percent, the student may be de-enrolled without notice until the university drop date or, after that date, receive the appropriate grade for their work and participation. In some courses, a portion of the credit hour content will be delivered **asynchronously** and attendance will be determined by submitting the assignments by the posted due dates. See [Academic Policies](#) in the Graduate and Professional Studies Catalog. If absences exceed these limits but are due to university excused health issues, an exception will be granted.

### **Asynchronous Attendance/Participation Definition**

A day of attendance in asynchronous content is determined as contributing a substantive note, assignment, discussion, or submission by the posted due date. Failure to meet these standards will result in an absence for that day. Instructors will determine how many asynchronous attendance days are required each week.

#### *Face-to-Face courses only:*

Regular and punctual attendance at all classes is considered essential to optimum academic achievement. If the student is absent from more than 10 percent of class meetings, the faculty member can file a written report which may result in de-enrollment. If the absences exceed 20 percent, the student may be de-enrolled without notice until the university drop date or, after that date, receive the appropriate grade for their work and participation. See Academic Policies in the Graduate and Professional Studies Catalog for additional detail.

#### *Fully online 3-unit courses only:*

Students taking online courses are expected to attend each week of the course. Attendance is defined as participating in an academic activity within the online classroom which includes posting in a graded activity in the course. (Note: Logging into the course does not qualify as participation and will not be counted as meeting the attendance requirement.)

Students who do not attend at least once in any 3 consecutive days will be issued an attendance warning. Students who do not attend at least once in any 7 consecutive days will be dropped from the course retroactive to the last date of recorded attendance.

Students who anticipate being absent for an entire week of a course should contact the instructor in advance for approval and make arrangements to complete the required coursework and/or alternative assignments assigned at the discretion of the instructor. Acceptance of late work is at the discretion of the instructor and does not waive attendance requirements.

*Hybrid 3-unit courses only:*

At Point Loma Nazarene University, attendance is required at all scheduled classes. Hybrid format means some class meetings will be face-to-face and some will be online. Attendance in the face-to-face classes is to be for the entire time of the class. Arriving late or leaving early will be considered a partial absence. A day of attendance in an online class is determined as contributing a substantive note, assignment, discussion, or submission that adds value to the course as determined by the instructor. Three days of attendance are required each week.

Face-to-face Portion of the Hybrid course

In blended or hybrid courses, if a student misses one face-to-face class then the faculty member will send an email to the student and the Director of Student Success warning of attendance jeopardy. There are no exceptions to this policy.

If a student misses two face-to-face classes, the faculty member or Vice Provost for Academic Administration (VPAA) will initiate the student's de-enrollment from the course without further advanced notice to the student. If the date of de-enrollment is past the last date to withdraw from a class, the student will be assigned a grade of "F" and there will be no refund of tuition for that course.

Online Portion of the Hybrid Course

If a student misses two online classes (fails to contribute to a discussion board) during the course, then the faculty member will send an email to the student and the Director of Student Success warning of attendance jeopardy. There are no exceptions to this policy.

If a student misses three online classes (fails to contribute to a discussion board by the due date) during the course, then the faculty member or Vice Provost for Academic Administration (VPAA) will initiate the student's de-enrollment from the course without further advanced notice to the student. If the date of de-enrollment is past the last date to withdraw from a class, the student will be assigned a grade of "F" and there will be no refund of tuition for that course.

1 missed F2F class = warning

2 missed F2F classes = de-enrollment

2 missed online classes = warning

3 missed online classes = de-enrollment

## USE OF TECHNOLOGY

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In order to be successful in the online environment, you'll need to meet the minimum technology and system requirements; please refer to the [\*Technology and System Requirements\*](#) information. Additionally, students are required to have headphone speakers compatible with their computer available to use. If a student is in need of technological resources please contact [student-tech-request@pointloma.edu](mailto:student-tech-request@pointloma.edu).

Problems with technology do not relieve you of the responsibility of participating, turning in your assignments, or completing your class work.

## COURSE SCHEDULE

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This tentative schedule may change as the term progresses. Please check regularly on Canvas to ensure that you stay up to date.

Week	Dates	Readings	Topics
1	8/31 – 9/6	Chapter 1	Course Introduction Overview of Financial Management
2	9/14 – 9/20	Chapters 3 & 4 Case Study #1	Analysis of Financial Statements (1 of 2) Time Value of Money (1 of 2)
3	9/21 – 9/27	Chapter 3 (cont.) Chapter 4 (cont.)	Analysis of Financial Statements (1 of 2) Time Value of Money (1 of 2)
4	9/28 – 10/4	Chapters 5 & 6	Bonds and Bond Valuation Risk & Return/CAPM (1 of 2)
5	10/5 – 10/11	Chapter 6 (cont.) Chapter 7 (cont.)	Risk & Return/CAPM (2 of 2) Stocks and Stock Valuation
6	10/12 – 10/18	Chapter 18 Chapter 22	IPOs, Seasoned Offerings and Investment Banks Mergers and Corporate Control
7	10/19 – 10/25	<b>Previous Chapters</b> Chapter 9	<b>Mid-Term Exam</b> Cost of Capital (1 of 3)
8	11/2 – 11/8	Chapter 9 (cont.) Case Study #2	Cost of Capital (2 of 3)
9	11/9 – 11/15	Chapter 10	Cost of Capital (3 of 3) Capital Budgeting: Tools
10	11/16 – 11/22	Chapter 11	Capital Budgeting: Cash Flows
11	11/23 – 11/29	Chapter 12 HBR Valuation Article	Corporate Valuation and Financial Planning (1 of 2)

12	11/30 – 12/6	Chapter 12 (cont.) Case Study #3	Corporate Valuation and Financial Planning (2 of 2)
13	12/7 – 12/13	Chapter 15 Chapter 24	Capital Structure Decisions Bankruptcy, Reorganization and Liquidation
14	12/14 - 20	<b>Comprehensive</b>	<b>Final Exam</b>