FAIRLEIGH DICKINSON UNIVERSITY
Silberman College of Business

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SILBERMAN COLLEGE OF BUSINESS

Department of Economics, Finance and International Business

Intermediate Financial Analysis
FIN 3310
Room: MAN 12
Monday/Thursday 9:55-11:10 am

Semester: Fall 2016
Instructor: Dr. Sorin Tuluca
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Voice: 973-443-8995
Office: Mansion, W16

Office Hours: Monday-Thursday 11:30-12:30, T 5:30-6pm, by appointment.

Course Description: This is an intermediate financial analysis course in risk and return relationships, valuation models, cost of capital, capital structure, capital budgeting, corporate value and value-based financial management, and financial planning and forecasting financial statements. (course required for Finance and Accounting majors)

Prerequisite: ACCT 2022, ECON 2012, DSCI 2029, and FIN 3250 or 3146.

Why take it?
This course is mandatory for students in accounting and finance. The selected topics parallel the new CPA requirements for the finance section therefore, for the accounting student this course is very useful at the time of review for the CPA exam. For the finance student the same topics will provide a solid foundation for the more complex topics of the other courses in the finance major. In addition, students will be offered the opportunity to learn how to work with the **Bloomberg terminals** and to get the **Bloomberg Market Concepts (BMC)** certification. Such certification greatly increase the exposure to prospective employers and while it is not required to complete the course a system of incentives to do it are incorporated in the grading system (see below.)

Business Perspective Outcomes:
The capability to:

1. Understand both conceptual theories and practical applications of finance for financial analysis
2. Understand the relationship between risk, return and pricing models
3. Understand how to determine the financial value of the firm and of the key financial instruments of the firm (common stocks, bonds, preferred stock, options).
4. Gain exposure to the Bloomberg Terminals and as an option get the Bloomberg Market Concepts certificate

5. Understand how to determine the Cost of Capital of the firm.
6. Understand the capital budgeting decision process

Relation to Silberman College of Business (SCB) Mission:
In keeping with SCB's mission, this course brings financial theory and practice together in a dynamic learning experience. The class uses a mixture of lectures and Bloomberg lab examples which requires the student to gather data and choose the most suitable analytical approach to solve financial problems.

Course Topics:

The Firm and the Economic Environment	Risk and Return
Valuation of Bonds	Valuation of Stocks
Financial Options	Accounting for Finance
Corporate Valuation	Capital Structure and the Cost of Capital
Capital Budgeting and Cash Flows	Bloomberg Terminals

Required Text: ***Intermediate Financial Management***, 11th edition, South-Western, Cengage, Eugene F. Brigham and Phillip R. Daves ISBN-10:1111530262

Financial Calculator Required: Texas Instruments TI BA II Plus (any other financial calculator requires that the user knows the controls—all explanations will be ONLY on TI BA II Plus)

Bloomberg account is required for the lab sessions. Details will be given in the first meeting.

Assessment strategy:
Success in economics and finance requires understanding much more than memorization. The number of concepts might look as being less than in some fields, but they must be learned actively rather than passively. The tools must be practiced until they are well internalized.

Problems from the end of each chapter will be assigned throughout the course. Problem sets will not be collected. However, these problems are specifically designed to help students understand the contents of each chapter, and exams will strongly reflect the content of these problems.

The class will consist of lectures and problem solving that at times will involve real examples using the Bloomberg lab. In the problem solving part done in the Bloomberg lab students are expected to actively participate. Such participation would be noted in the final grade in the form of rounding in the student favor.

There will be two exams* during the semester and a final exam. The exams will take place in two days Monday and Thursday of the specified week. The final will be given

according to the university schedule. The exams will be weighted equally for 90% of the grade. Any deviations from equal weightings will be designed to recognize your class participation (see below policy for make-up exams.)
In addition there will be a number of unannounced quizzes either Monday or Thursday starting with week 3. Quizzes will count for 15% of the grade. There are absolutely no make ups for quizzes; you need to be in attendance to take them.

Note that taking all the quizzes and answer correctly will give you an extra 5% in the total grade. Everyone taking all the quizzes will get 5% regardless of the correctness of the result. Missing quizzes and/or incorrect answers will reduce proportionally the 15%.

Finally, every student who completes the Bloomberg Market Concepts (BMC, details in the first class) will get half a letter grade to the final grade regardless of the score for completion (see also below.)

*If you score ≥80% in BMC, you can substitute it for 100% in Exam 1; ≥75% in BMC corresponds to 95% in Exam 1; ≥70% corresponds to 90% in Exam 1; ≥65% corresponds to 86% in Exam 1. All those who score lower than 65% in BMC must take Exam 1. BMC scores between 65% and 79% have the option to take Exam 1 and choose the higher of the two grades.

Grade Scale

94 100 A	76 78 C+
90 93 A-	71 75 C
86 89 B+	66 70 C-
82 85 B	61 65 D
79 81 B-	00 60 F

Policies (strictly enforced)

1) Academic integrity policies discussed in the Student Handbook would be enforced to the maximum extent.
2) **There is absolutely no use of any electronic devices (laptop, cell phone, wi-fi devices, etc.)** during class time unless I require this for class assignments (exceptions will be discussed in class.). Cell phones should be placed on silent or shut off (nothing can be that urgent in 75 minutes.) The only allowed electronic device is the required calculator. **There is absolutely no texting allowed during class time.** Anyone who wants to use a cell phone should leave the class in a manner that is not interfering with the academic process. This policy will be

enforced as all the above actions potentially could represent a disruption of the class unless it is authorized by the instructor.

3) Class attendance would be noted by the number of quizzes taken. Students would not be penalized for absences other than losing the points allowed by taking the quizzes.
4) **Make-up for exams are not given unless there are documented extenuating circumstances (of the kind no one wants to deal with.)**
5) You can contact me by e-mail for any problem. However, if an extensive answer is needed you would need to come to my office hours.
6) Homework will be assigned for each chapter but will not be collected. Solution to homework and other problems will be provided on Blackboard.
7) **There will be absolutely no extra credit work given. The grade components will be only those listed above.**

8) **The statement below, made by FDU, is very important**. I will make every effort to ensure that adequate accommodations would be provided to all who need them either by me or the DSS office, however, those who need them should contact me in advance.

"Any student with documented medical, psychological or learning disabilities, who feels he/she may need in-class academic adjustments, reasonable modifications, and/or auxiliary aids and services while taking this course, should first contact the Disability Support Services (DSS) to discuss his/her specific needs. For Florham Campus including the School of Pharmacy and study abroad programs contact the Director of Disability Support Services at 973-443-8079. Once the academic adjustments, modifications, or auxiliary aids and services are approved by DSS, make an appointment to see the professor."

Please note once more point 2 above: Except for financial calculators, the use of **all mobile devices is prohibited** in this class without the instructor requiring you to do so.

Tentative Schedule (could be changed)

Date	**Bloomberg Lab**	**Chapters to be covered, and examinations**	**Homework problems (see Blackboard)**
8/29	9/1	Intro to fin mgt, environment, & Bloomberg	Start Bloomberg Market Concept—Economic Indicators
	9/8	Ch27: Multinational Financial Management	BMC--- Currencies End of chapter problems
9/12-15		Ch02: Risk and Return	End of chapter problems
9/19	9/22	Ch04: Bond Valuation	BMC ---Bonds; Problems
9/25	9/29	Ch05: Basic Stock Valuation	BMC ---Equity: Problems
10/3-6		Exam 1: Ch27, 02,04, 05 or BMC score*	

Date	Bloomberg Lab	Chapters to be covered, and examinations	Homework problems (see Blackboard)
10/10	10/13	Ch06: Financial Options	End of chapter problems
10/20	10/24	Ch10: Determining the Cost of Capital	End of chapter problems
10/31	11/3	Ch 7,8 Accounting for Financial Management/Ratio Analysis	End of chapter problems
11/7	11/10	Ch 11: Corporate Value and Value-Based Management	End of chapter problems
11/14-11/17		Exam 2: Ch06, Ch07-08, Ch 10-11	
11/21-1128		Ch12: Capital Budgeting Decision Criteria	End of chapter problems
12/1	12/5	Ch13: Estimating CFs and Analyzing Risk	End of chapter problems
12/8	12/12	Ch15: Capital Structure Decisions	End of chapter problems
		Final Exam*	

***Final Exam according to the University Schedule**