**SUFE Advanced Managerial Finance**

**Summer 2017**

**Instructor:** Dr. John Wingender

**Email:** JohnWingender@creighton.edu

**DESCRIPTION OF THE COURSE:**

In this course, we analyze and apply the theories of financial management from the perspective of the Chief Financial Officer, also known as the Vice President - Finance, of a firm with the focus on maximizing shareholder's wealth under various constraints faced by the firm. We use case studies to analyze the areas of financial planning and control, working capital and fixed asset management, the identification and acquisition of funds in the money and capital markets, and the employment of financial techniques as aids in decision-making relative to balancing the liquidity-profitability objectives of a business firm. Where feasible, a global outlook will be adopted.

**LEARNING OBJECTIVES:**

The course objective is to provide a systematic, graduate-level treatment of the traditional and modern approaches of the theory and practice of managerial finance. The management of capital sources and capital uses within the context of **shareholder wealth maximization** is presented in the readings. Participants use cases to identify problems and opportunities faced by firms and to develop alternative strategies. Students evaluate the possible options to prescribe and to defend a course of action to remedy the situation. By adopting the decision maker's role in the cases, students get to hone their analytical, presentation and persuasion skills. The cases involve analysis and presentations in groups, thus participants get the opportunity for team work.

**RECOMMENDED TEXT:**

Case Studies in Finance: Managing for Corporate Value Creation, 7th Edition, McGraw Hill Higher Education by Robert F. Bruner, Kenneth M. Eades and Michael J. Schill.

 <http://www.youtube.com/watch?v=3zqAFnF2PN0>

**RECOMMENDED TEXT / READINGS:**

Recommended readings will be cases handed out in class.

**ADMINISTRATIVE MATTERS:**

a) In this class a good grasp of the theories and techniques of financial management is essential. Review of the appropriate material while analyzing cases is crucial.

b) Due to the computational nature of the course material, you must have access to a financial calculator and/or a computer with a spreadsheet program - Excel.

c) Class discussion and participation are expected and encouraged. Discussion points will be earned by substantive posting during the open input period.

d) Each week the course will have a problem set and a discussion portion.

1. The problem set is to require active, hands on finance related calculations.
2. The discussion portion is to have students present their case solutions; questions the reasons for these proposals; share concerns and alternative approaches; and synthesize a best option for the company.

e) The authors have designed these problems and cases for students to prepare and to present for in-class discussion. We are not doing in-class discussion. So we have to simulate the proscribed learning process. For most cases, financial analysis is involved and will require the use of a computer with spreadsheet software. The point of case analysis is to work toward a set of conclusions and recommendations that are supported by your narrative.There is never any guarantee that your actual decisions will turn out to be “correct.” In-class I usually do NOT give you guidance regarding the cases; most guidance comes in response to your questions. However, in this online class I am giving you specific guidance each week.

f) There will be a final exam. It may include concept questions, problems, essays, mini-cases dealing with issue identification and resolution, etc.

g) Generally speaking, the grade cutoffs are: A - 90%; B - 80%; C - 70%; etc.

 Case 1 Report 25 points

 Case 2 Report 25 points

Final Exam 50 points

**TOTAL** **100 points**

i) You are expected to abide by the **Academic Honesty Policy** in this class. Having access to, or possessing, solutions to cases used in previous classes whether at Creighton University or elsewhere is a violation of the Policy. Additionally, you may not possess, or have access to, any of the models used to solve cases in previous classes at Creighton University or elsewhere. Handing over solutions (models included) to this semester’s cases to anyone not taking this class is a violation of the Policy.

**Tentative Schedule**

|  |  |
| --- | --- |
|  | **Topic** |
| **1** | **Introduction** |
|  | Financial Statement Review |
|  |  |
| **2** | **Financial Ratio Analysis** |
|  | In-class team exercise with Black & Brown Case |
|  | Pro Forma Statements  |
|  |  |
| **3** | **Financial Statements**  |
|  | Case Report 1: Financial Detective, 2005  |
|  |  |
| **4** | **Cost of Capital** |
|  | WACC – Weighted Average Cost of Capital |
|  | “Best Practices” in Estimating the Cost of Capital (WACC) |
|  |  |
| **5** | **Cost of Capital and Valuation** |
|  | Teletech Corporation, 2005  |
|  |  |
| **6** | **Capital Budgeting I** |
|  | Case Report 2: The Investment Detective  |
|  |  |
|  |  |
| **7** | **Capital Budgeting II** |
|  | Victoria Chemicals plc (A) (Case 24), also known as Diamond Chemicals |
|  |  |
| **8** | **Capital Budgeting III** |
|  | Victoria Chemicals plc (B) (Case 25), also known as Diamond Chemicals |
|  |  |
| **9** | **Capital Budgeting IV** |
|  | Review of Complications with Capital Budgeting Techniques |
|  |   |
| **10** | **Final Exam**  |