

# College for Financial Planning FIN 600—Case Studies in Finance Master Course Syllabus

## I. Course Description

### Course Description

Analyze, synthesize, and evaluate assigned case studies addressing investment management, global finance, security valuation, capital budgeting, and business ethics.

### Prerequisites

FIN 510, ECO 510, FIN 511, FIN 550, FIN 551, and ETH 550

## II. Overview

### Overview

The learning objectives for this course are as follows:

#### Global Finance:

In this portion of the course, you will identify the factors that led to the financial crises in East Asia in 1997-1998. You need to explain how such crisis could spread from one country to another, the "Contagion Effect," and recommend policy prescriptions to avert such crises in the future. Finally, you need to analyze and evaluate the role that IMF played during the crises.

#### Investment:

In this portion of the course you will apply on a practical level what you have learned in FIN 510. There will be a case presented that deals with the concepts of risk and return analyzed from the perspective of an investor who might own the company's stock

#### Security Valuation

In this portion of the course you will apply the valuation tools and techniques you learned in security valuation to value the stock of a NYSE-listed company.

#### Capital Budgeting

In this portion of the course, you will analyze and apply fundamental financial concepts in a corporate environment and you will develop capital budgeting spreadsheets for evaluating corporate investment opportunities.

#### Business Ethics

In this portion of the course, you will analyze and apply business ethics concepts to resolve ethical issues presented in a case study.

## III. Required and Recommended Text

### Required Text

Modern Language Association of America. *MLA Style Manual and Guide to Scholarly Publishing*, 3<sup>rd</sup> ed. Modern Language Association of America, 1998.

Upon entrance into the Master's Program you should have been given access to RIA Checkpoint, an electronic reference service. If you do not have an RIA User Name and a password please contact [Viviane.Price@cftp.edu](mailto:Viviane.Price@cftp.edu)

Access to the College for Financial Planning University Library (Note: Instructions for accessing the library are included under the "Master's Program Standards and policies.")

### For Global Finance:

Pugel, Thomas A. *International Economics*. 14<sup>th</sup> ed. McGraw-Hill/Irwin, 2009. ISBN 978-0-07 337575-5

**For Security Valuation:**

Damodaran, Aswath. *Investment Valuation*. 2<sup>nd</sup> ed. John Wiley & Sons, 2002. ISBN 0-471-41490-5.

**For Capital Budgeting:**

Brealey, Richard A. and Stewart C. Myers. *Principles of Corporate Finance*. 8<sup>th</sup> ed. McGraw-Hill Irwin.

**For Business Ethics:**

Weiss, Joseph W. *Business Ethics: A Stakeholder and Issues Management Approach*. 5<sup>th</sup> ed. South-Western, 2009. ISBN 978-0-324-58973-3 (paperback).

**Required Software**

Microsoft Excel Spreadsheet

**Recommended Text**

Reilly, Frank K., and Edgar A. Norton. *Investments an Introduction*. 8<sup>th</sup> ed. South-Western Publishing, 2006. ISBN 0-324-28899-9. The 6th edition of this text is also acceptable for those of you who already have it.

You may order textbooks online at [www.cfpbookstore.com](http://www.cfpbookstore.com), by fax at 800-274-9105, or by telephone at 800-274-9104.

Students interested in selling their textbooks back to EdMap should click on the following site:

<http://edmap.sellyourbooks.com>.

*The Wall Street Journal* and *Barron's*. Students are strongly encouraged to subscribe to the *Wall Street Journal* and *Barron's*, which can be received at discounted rates while you are a student. To subscribe, please visit <http://wsjstudent.com/> and <http://barrons.com/student>. After you enter your personal data, you will be asked to enter the zip code of your school - enter 802. You can then select the College for Financial Planning in the School Name section. After you submit the data for that screen, on the next screen you will be asked to enter your major, course, and referring professor (Pasztor), and professor ID (1111).

You can also subscribe to *The Economist*, which gives you a more global view of the financial world from London, at 31% of the retail price. Simply go to [www.economistacademic.com](http://www.economistacademic.com) and enter 3189 as the Faculty ID.

## IV. Course Goals

**Week 1**

Identify the factors responsible for the East Asian Financial Crises and explain the Contagion effect.

**Week 2**

Recommend policy prescriptions to avert specific financial crises in the future and evaluate IMF's role during these crises.

**Week 3**

Apply the weighted average cost of capital (WACC) and the net present value (NPV) in analyzing a firm's capital investment opportunities.

**Week 4**

Continue with the capital budgeting by completing a case study.

**Week 5**

Calculate the inputs required for various valuation models and calculate the value of a firm using the DDM and Free Cash Flow single stage and two stage models.

**Week 6**

Use the relative valuations model to determine an appropriate value of a firm.

**Week 7**

Apply investment decision models in analyzing equity investments.

## **Week 8**

Analyze a case study that presents an ethical business dilemma.

## **V. Assignments**

### **Week 1:**

Weekly Objective: Identify the factors responsible for the East Asian Financial Crises and explain the Contagion effect.

Reading Assignment: *International Economics*, chapters 19 and 20

Case Assignment: Posted in OLS.

**Due Date: By midnight Monday of Week 1.**

Grade Points: 125

### **Week 2:**

Weekly Objective: Recommend policy prescriptions to avert specific financial crises in the future and evaluate IMF's role during these crises.

Reading Assignment: *International Economics*, chapters 19 and 20

Case Assignment: Posted in OLS.

**Due Date: By midnight Monday of Week 2.**

Grade Points: 125

### **Week 3:**

Weekly Objective: Apply the weighted average cost of capital (WACC) and the net present value (NPV) in analyzing a firm's capital investment opportunities.

Reading Assignment: *Principals of Corporate Finance*, chapters 5, 6, 9, and 17

Case Assignment: Posted in OLS.

**Due Date: By midnight Monday of Week 4.**

### **Week 4:**

Weekly Objective: Develop an Excel spreadsheet for a capital budgeting analysis project.

Case Assignment: Posted in OLS.

**Due Date: By midnight Monday of Week 4.**

Grade Points: 250

### **Week 5:**

Weekly Objective: Calculate the inputs required for various valuation models and calculate the value of a firm using the DDM and Free Cash Flow single stage and two stage models.

Reading Assignment: *Investment Valuation*, review chapters 8, 11, 12, 13, 15, 17, 18, and 19

Exam Assignment: Posted in OLS.

**Due Date: By midnight Monday of Week 5.**

Grade Points: 125

### **Week 6:**

Weekly Objective: Use relative valuations model to determine an appropriate value of a firm.

Reading Assignment: *Investment Valuation*, review chapters 8, 11, 12, 13, 15, 17, 18, and 19

Exam Assignment: Posted in OLS.

**Due Date: By midnight Monday of Week 6.**

Grade Points: 125

**Week 7:**

Weekly Objective: To apply equity valuation models in analyzing investments.

Use the equity valuation models to determine an appropriate value of a stock under various scenarios.

Reading Assignment: "Principles of Corporate Finance," Richard A. Brealey and Stewart C. Myers, Chapter 9

Case Assignment: Posted in OLS.

**Due Date: By midnight Monday of Week 7.**

Grade Points: 125

**Week 8:**

Weekly Objective: Analyze a case study that presents an ethical business dilemma.

Reading Assignment: "Business Ethics: A Stakeholder and Issues Management Approach"

Case Assignment: Posted in OLS.

**Due Date: By midnight Monday of Week 8.**

Grade Points: 125