The University of Montana  
School of Business Administration  
Department of Accounting and Finance

Professor:  
Course:  Fin 522: Principals of Financial Analysis

Office:  
Office Phone:  
Office Hours:  TBA  
E-Mail:

Course Materials:

For this course we will be using a custom e-book packaged with the McGraw Hill Connect supplement. Follow the directions below to access the custom e-book:

Essentials of Corporate Finance, 8th Edition

Stephen A. Ross, MASS INSTITUTE OF TECH  
Randolph W Westerfield, University of Southern California  
Bradford D Jordan, UNIV OF KENTUCKY LEXINGTON  
W/Connect Plus Custom/Ross  
ISBN-13 9780078034756

I recommend the e-book version. You can purchase the e-book through the McGraw Hill Connect link below (Instructions posted in Moodle)

http://connect.mcgraw-hill.com/class/t_crawford_summer_2014

Financial calculator (required):

I will be using Excel and financial calculators to solve problems in class. Since you are taking this class as a pre-requisite to the MBA program, it is important that you learn to complete calculations with a financial calculator – as that will be required in your MBA coursework.

The recommended calculator is: Texas Instruments BAII Plus or BA II Plus Professional (for finance majors)

I will use the Texas Instruments BAII PLUS financial calculator for examples in class. Becoming familiar with this calculator will help you to solve more real world problems.

Course Objective:

This course is designed for graduate students who have no previous Finance coursework. The course is divided into three exams: Part 1 is devoted to Financial Analysis and Time Value of Money; Exam 2 covers Valuation and Capital Budgeting. Exam 3
Finance is a broad subject, and a full introduction to Finance would require introductions to investing, banking, risk management, and corporate financial management. Fortunately there are three fundamental pillars of Finance that extend to all sub fields of Finance. The first pillar is the time value of money, the second is asset valuation and the third is risk management. Many of the tools we develop, and the analysis we use, is general enough to extend to other areas of finance. This course provides future MBA students with a necessary introduction to the financial implications of strategic business decisions.

The course begins with a review of common financial statements and cash flows, with an emphasis on evaluating firm performance. Next we introduce you to the mathematics of finance, in particular the time value of money, and the determinants of value. This is followed with a review of the relationship between risk and return in financial markets. Next we examine how you can use the time value of money equations to value both bonds, and stock. This section concludes with an introduction to the financial analysis of corporate investment decisions, the capital budgeting process.

**Instruction:**

I will record an Adobe Connect session that introduces material and key concepts each week. These introductions will be recorded without student participation and will be posted no later than Monday of the assigned week. These sessions will be less than 60 minutes and will substitute for the more “lectury” parts of the group sessions.

I will hold a live session on Wednesday of each week from 6:00-7:30PM. I can go longer if demand exists, but I find that participation in a Finance course wanes after 90 minutes. These sessions will be recorded. But I hope that many of you will attend, since your questions and feedback will help drive the sessions.

**McGraw Hill Connect Assignments:**

Problem sets will be distributed via the Homework Manager system (through Connect) – (access should come with your text). Homework manager is a web based resource. All of your homework will be graded online (immediately). One benefit of HW manager is that I can give you multiple attempts at the problem sets. If you are unhappy with your grade, repeat the exercise up to (3) times. I will count your highest score. More information regarding HW manager will be provided as that portion of the class approaches. There will be ten (10) assignments – one each week.

**Other Homework:**

For each chapter, I expect you to be able to answer the end of chapter questions and problems. You should practice as many of these as possible in order to be well prepared for exams. I will post solutions so that you can check your answers. Many of you will ask “do I need to complete them all?” My standard reply is that you need to do as many as necessary to learn the material. If you understand the material, you may only need to work a few problems to reinforce your understanding. If you are struggling with the material, you may need to work them all out – even multiple times. My suggestion is that you at least attempt as many problems as possible, and make sure you work on the different types of questions available.
Course Evaluation Homework, Quizzes, and Exams:

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<tbody>
<tr>
<td>Exams:</td>
<td>3 Exams</td>
<td>80%</td>
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<tr>
<td>Connect Plus – Online Quizzes</td>
<td>10 Quizzes (10 Points each)</td>
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**Participation:**

I will be scheduling weekly lecture/review sessions using Eluminate software. I will try and schedule these on days that a majority of you can be in attendance. During these sessions I will work through examples, answer questions, and occasionally lead discussions. You do not need to attend each session, but you should attend a majority and participate in order to receive a decent score. If you miss a session, I will post a link so that you can watch a recording of the class.

**Exams:**

Three exams will be administered during the semester. These exams will contain 30 to 40 multiple-choice questions – see course schedule. The exams will be open book – but they are timed (therefore, students looking up each question will quickly run out of time). Homework problems and problem sets are a good starting point for studying for exams. More details on the structure and administration of exams will be provided at a later date.