I. Catalog Description and Credit Hours of Course:

Emphasis is placed on the examination of the long-term and short-term financial policies of corporations pertaining to finance, capital costs, capital structure and asset acquisition. (3 hours)

II. Prerequisites: FI361 Financial Management with a minimum grade of "C".

III. Purposes or Objectives of Course:

A. General: To continue the study of principles underlying the financial practices and the financial management of modern business organizations introduced in FI361.

B. To learn fundamental financial principles, generalizations and theories. (Demonstrate the ability to locate and gather information.)

C. To gain knowledge: terminology, classifications, methods and trends. (Demonstrate an understanding of human experiences and the ability to relate them to the present.)

D. To learn to apply course material to improve rational thinking, problem solving and decision-making. (Demonstrate capabilities for critical thinking, reasoning and analyzing.)

E. To develop specific financial skills, competencies and their applications. (Demonstrate the ability to function responsibly in one's natural, social and political environment.)

F. To emphasize the importance of financial management as it applies to financial activities and how financing decision impact company profitability. (1. Demonstrate ability to make informed, intelligent value decisions. 2. Demonstrate the ability to make informed, sensitive aesthetic responses.)

G. To overview capital markets, institutions, investments and their role in financing business organizations. (Demonstrate the ability to integrate the breadth and diversity of knowledge and experience.)

H. To develop writing communication skills in financial management. (Demonstrate effective communication skills.)
IV. Student Learning Outcomes

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

A. Explain risk/return and the valuation of stock, preferred stock and bonds.

B. Explain balance sheet, income statement, cash flow statement and the process of ratio analysis. Explain the process of financial forecasting and additional funds needed.

C. Explain the cost of capital, capital budgeting cash flow estimation and the evaluation technique. Explain capital structure, operating leverage and financial leverage, and working capital management.

V. Expectations of Students:

A. General: This course is concerned with the financial principles and practices involved in the organization and administration of corporations. The course is based upon the premise that an understanding of finance is important to the student preparing for participation in any phase of management. It is expected that the student will take advantage of the opportunities provided in the course for the development of professional attitudes and competencies. This can be done only by diligent application to the assigned work, careful analysis of the material presented in the lectures, completion of assigned research projects and constructive participation in the classroom discussion.

B. Examinations: A minimum of three examinations including a final examination.

VI. Course Content or Outline:

<table>
<thead>
<tr>
<th>Suggested Time In 50-Minute Periods</th>
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<tbody>
<tr>
<td>A. Corporate Objectives Ethical Issues</td>
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<td>B. Risk, Valuation, Capital Structure</td>
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<tr>
<td>1. Risk and return</td>
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<td>2. Valuation concepts</td>
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<td>3. Cost of capital</td>
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<td>4. Capital structure theory</td>
<td>8</td>
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</tbody>
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C. Capital Budgeting 6
   1. Review
   2. Cash flow estimation
   3. Risk analysis

D. Long-Term Financing 8
   1. Dividend policy
   2. Debt and equity financing
   3. Specialized financing (options, lease)

E. Working Capital Management 5
   1. Policy
   2. Management of current assets and current liabilities

F. Financial Analysis and Planning 9
   1. Financial statements
   2. Planning and control

G. Special Topics 5
   1. Merger and divestitures
   2. Bankruptcy
   3. Multinational/International finance

TOTAL 45

VII. Text(s) or Other Required Materials or Equipment:

   B. Each student will be expected to read additional assigned material in the Wall Street Journal, Fortune, Business Week, etc.

VIII. Basis for Student Evaluation:
   A. Performance on all examinations.
   B. Performance on assigned activities-research, communication, quizzes, etc.