

INTER AMERICAN UNIVERSITY OF PUERTO RICO
METROPOLITAN CAMPUS
ECONOMICS AND ADMINISTRATIVE SCIENCES FACULTY
MBA PROGRAM

I GENERAL INFORMATION:

Title: : Managerial Finance I
Code : BADM 5190
Credits : 3
Academic Term :
Professor : Dr. Felix Cue
Officer's Phone :
e-mail :

II DESCRIPTION:

Review of the fundamental aspects of financial decision making process in its theoretical, technical and practical dimensions. Study of investment decision-making in working capital and short and long term financing.

III OBJECTIVES:

It is expected that at the course's ending the student can:

1. Identify the factors and variables that define the conceptual frame in the financial decision making process of a firm and to be able to analyze it.
2. Identify the advantages and disadvantages of different evaluation techniques and determination of the firm's financial position.
3. Outline the theoretical and practical aspects required on the on the firm's investment, current assets and liabilities financing decision-making process.
4. Specify the theoretical and practical requirements in the evaluation and analysis of long term financing alternatives.
5. Analyze and evaluate the global competence milieu that faces the firm in our days.

IV CONTENTS:

- A. Fundamental Concepts and Objectives of Financial Management.
1. Firm's Objectives and Investment and Financing Decisions.
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2. Financing Markets and Environment.
Chapter 1

B. Financial Mathematics

1. The Time Value of Money.
 2. Bonds' Valuation and Characteristics.
 3. Shares' Valuation and Characteristics.
- Chapters 2, 5 and 8

C. Analysis, Control and Financial Planning Techniques.

1. Financial Statement Analysis.
 2. Financial Planning and Forecasting Financial Statements.
- Chapters 4, 14 and 15

D. Working Capital Management and Financing and Other Types of Financing.

1. Working Capital Management.
 2. Working Capital Financing.
 3. Hybrid Financing: Preferred Stocks, Warrants and Convertibles.
- Chapters 22 and 21

V COURSE EVALUATION:

The student will take three exams and prepare a term paper

A. Exams:

1. First Partial Exam: Chapters 1, 2, 5 and 8
2. Second Partial Exam: Chapters 4, 14 and 15
3. Final Partial Exam: Chapters 22 and 21

B. Term Paper Ratio Analysis of a Corporation of its Financial Statements for the last three years

C. Evaluation:

First Partial Exam	:	25%
Second Partial Exam	:	25%
Final Partial Exam	:	25%
Term Paper	:	25%

VI SPECIAL NOTES

1) Supporting Services or Special Needs

Students requiring additional services or special assistance must require these at the beginning of the course or as soon as they need them, through the appropriate register in the Oficina del Consejero Profesional, located at the Programa de Orientación Universitaria.

2) Honesty, Fraud, and Plagiarism (General Student Regulation, Chapter V)

The lack of honesty, fraud, plagiarism and any other inadequate behavior in relation to academic work constitute major infractions sanctioned by General Student Regulations. Major infractions, according to General Regulation Students may result in suspension from the University for a definite period of time greater than one year or the permanent expulsion from the University, among other sanctions.

3) Use of Electronic Devices

Cellular (mobile) telephones and any other electronic device that could interrupt the teaching-learning process or disrupt a milieu favorable for academic excellence will be deactivated. Critical situations will be dealt with in an appropriate manner. The use of electronic devices that permit the accessing, storing or sending of data during tests or examinations is prohibited.

VII EDUCATIONAL RESOURCES

Text: Financial Management: Theory and Practice, 12th ed., Eugene F. Brigham and Michael C. Ehrhardt, Thompson-South- Western 2008
Supplementary Readings: Essentials of Managerial Finance, 14th ed. Eugene F. Brigham and Scott Besley. Thomson/South Western, 2008.
Electronic Resources: www.thomsononeedu.com
<http://www.textchoice2.com> <http://www.investor.reuters.com>
Thomson NOW for Financial Management or www.thomsonesu.com/
thomsonnow

VIII BIBLIOGRAPHY

1. Allen, Franklin, and Douglas Gale. 2000. Comparing Financial Systems. Cambridge and London: MIT Press.
 2. Altman, Edward I., 1968. "Financial Ratios, Discriminant Analysis and the Prediction of Corporate Bankruptcy", Journal of Finance, 23.
 3. _____ et al., 1977. "Zeta Analysis: A New Model to Identify Bankruptcy Risks of Corporations", Journal of Banking and Finance, 1: 29-54
 4. Aziz, Abdul, and Gerard H. Lawson, 1989. "Cash Flow Reporting and Financial Distress Models: Testing of Hypothesis", Financial Management, 18: 55-63
 5. Barth, James, Gerard Caprio, and Ross Levine. 2004. "Bank Regulation and Supervision: What Works Best?" Journal of
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Financial Intermediaries 13(2): 205-48.

6. Bowling, Oswald D. 1966. "The Refunding Decision: Another Special Case in Capital Budgeting". *Journal of Finance* 21: 55-68.
7. Brennan, Michael J. and Eduardo S. Schwartz. 1977. "Saving Bonds, Rentable Bonds and Callable Bonds". *Journal of Financial Economics*, 5:67-88
8. Djankov, Simeon, Tim Ganser, Caralee McLiesh, Rita Ramalho, and Andrei Shleifer. 2008. "The Effect of Corporate Taxes on Investment and Entrepreneurship". *National Bureau of Economic Research Paper* 13756.
9. Grossman, Sanford J., and Oliver D. Hart. 1988. "One Share-One Vote and the Market for Corporate Control". *Journal of Financial Economics*. 20(1-2):175-202.
10. Fama, Eugene and Kenneth R. French. 2004. "The Capital Asset Pricing Model: Theory and Evidence". *The Journal of Economic Perspectives*, 18 No. 3.
11. Krishnamurty, Arvind, "How Debt Markets Have Malfunctioned in the Crisis" *The Journal of Economic Perspectives*, 24, No. 1 Winter, 2010
12. Kalotay, Andrew, et-al 1993. "The Valuation and Management of Bonds with Sinking Funds Provision". *Financial Analysis Journal*. 3: 25-31.
13. Pagano, Marco, and Paolo F. Volpin. 2006. "Shareholder Protection, Stock Market Development and Politics". *Journal of The European Economic Association*, 4(2-3): 315-41.
14. Perold, André F., 2004 "The Capital Asset Pricing Model". *The Journal of Economic Perspectives*, 18, No. 3, Summer 2004.
15. Sharpe, William. 2006. *Investors and Markets*. Princeton Economic Press, New Jersey.
16. Tirole, Jean. 2006 *The Theory of Corporate Finance*. Princeton Economic Press, New Jersey.
17. Wurgler, Jeffrey. 2000. "Financial Markets and the Allocation Of Capital". *Journal of Financial Economics*, 58(1-2): 187-214.

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