

Finance 3300 – Fall, 2017. Semester Outline

Chapters 1,3,4,5,6,7,8,9,10,11,14,17

- Finance is about Valuation: There is value, then there is price.
 - Cash flows – mean everything.
 - Money moves through time with rates attached.
 - Money has weight.
1. Chapter 1: An Overview of Financial Management
 - a. What is finance?
 - i. Areas of finance
 - ii. Finance within an organization
 - iii. Finance versus Economics and Accounting
 - b. Forms of Business Organization
 - c. The Main Financial Goal: Creating Value for Investors
 - d. Stockholder-Manager Conflicts
 - e. Stockholder-Debtholder Conflicts
 - f. Business Ethics
 2. Chapter 3: Financial Statements, Cash Flows & Taxes
 - a. Financial Statements and Reports
 - b. The Balance Sheet
 - c. The Income Statement
 - d. Statement of Cash Flow
 - e. Statement of Stockholders Equity
 - f. Uses and Limitations of Financial Statements
 - g. Free Cash Flow
 - h. Income Taxes
 3. Chapter 4: Analysis of Financial Statements
 - a. Ratio Analysis
 - b. Liquidity Ratios
 - c. Asset Management Ratios
 - d. Debt Management Ratios
 - e. Profitability Ratios
 - f. Market Value Ratios
 - g. Using Financial Ratios to Assess Performance
 - h. Uses and Limitations of Ratios
 4. Chapter 5: The Time Value of Money
 - a. Cash flows and compounding
 - b. Future Value
 - c. Present Value (Discounting)
 - d. Annuity
 - e. Solving for the rate (i)
 - f. Solving for time (n). Fractional time periods.
 - g. Perpetuity
 - h. Uneven cash flows
 - i. Loans

5. Chapter 6: Interest Rates
 - a. The Cost of Money
 - b. Interest Rate Levels
 - c. Determinants of Market Interest Rates
 - d. The Term Structure of Interest Rates
 - e. What Determines the Shape of the Yield Curve
 - f. Using the Yield Curve to Estimate Future Rates (Forward Rates)
 - g. Macroeconomic Factors that Influence Interest Rate Levels
 - h. Interest Rates and Business Decisions
6. Chapter 7: Bonds and their Valuation
 - a. Who Issues Bonds?
 - b. Key Characteristics of Bonds
 - c. Bond Valuation
 - d. Bond Yields
 - e. Changes in Bond Values over time
 - f. Bonds with Semi-Annual Coupons (annual coupons)
 - g. Assessing a bond's Riskiness
 - h. Default Risk
 - i. Bond Markets
7. Chapter 8: Risk and Rates of Return
 - a. The Risk-Return Tradeoff
 - b. Stand-Alone Risk
 - c. Risk in a Portfolio Context: The CAPM
 - d. The Relationship Between Risk and Rates of Return
 - e. Some Concepts about Beta and the CAPM
8. Chapter 9: Stocks and Their Valuation
 - a. Types of Common Stocks
 - b. Stock Price and Intrinsic Value
 - c. The Dividend Discount Model
 - d. Constant Growth Stocks
 - e. Valuing Nonconstant Growth Stocks
 - f. Preferred Stock
9. Chapter 10: The Cost of Capital
 - a. Basic Definitions
 - b. Cost of Debt
 - c. Cost of Preferred Stocks
 - d. Cost of Retained Earnings
 - e. Cost of New Common Stock
 - f. WACC
10. Chapter 11: The Basics of Capital Budgeting
 - a. An Overview of Capital Budgeting
 - b. Net Present Value (NPV)
 - c. Internal Rate of Return (IRR)
 - d. MIRR
11. Chapter 14: Distributions to Shareholders, Dividends and Share Repurchases
 - a. Dividends vs Capital Gains: What do Investors Prefer?
 - b. Other Dividend Policy Issues
 - c. Establishing the Dividend Policy in Practice

- d. Stock Dividends and Stock Splits
 - e. Stock Repurchases
12. Chapter 17: Multinational Financial Management
- a. Multinational or Global Corporations
 - b. The International Monetary System
 - c. Foreign Exchange rate Quotations