

NORTHWESTERN CONNECTICUT COMMUNITY COLLEGE

COURSE SYLLABUS

Course Title: Principles of Finance **Course #:** BFN* 201

Course Description: 3 credits

Management has been defined as the art of asking significant questions. This course builds the baseline business finance skills needed to make sound quantitative/systematic business decisions. Topics include the concepts of financial analysis or the ability to not only manipulate financial data, but also to interpret the numbers so meaningful conclusions can be drawn; the time value of money; risk and return measures; firm valuation methods; capital structure; corporate restructuring and mergers & acquisitions. Mergers and acquisitions have become a popular way for businesses to boost earnings and grow market share.

Additionally, at some time during their growth and maturation, virtually every business will find itself in a financial crisis where insolvency is immanent and the businesses continued existence as a going concern is in doubt. Students will be exposed to the theory and practice of corporate financial distress (including bankruptcy) and will learn how to evaluate the level of adversity of a distressed business.

Pre-requisite/Co-requisite: This is an advanced level applied Business & Management course that is required for graduation. Principles of Finance represents a culmination of all your course work areas. You will use the skills and tools acquired here at Northwestern to sift through mountains of information, extract relevant data, assess risk and make decisions based upon present and future expectations. You will be required to compile the information and present your findings using oral and written research methodologies. ***Financial literacy is a must in this course.*** To be successful and benefit from this course students should have successfully completed Financial Accounting with a grade of C or better and Principles of Management. The completion of Elementary Statistics would also be helpful.

Goals:

1. To create an understanding of the conceptual framework required in analyzing, synthesizing, and evaluating corporate finance problems.
2. To apply analytical techniques used in corporate finance to actual case situations.

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

1. Perform comparative financial statement and trend analysis to determine the financial condition of a firm
2. Calculate the time value of money
3. Calculate the valuation of bonds and equities
4. Calculate and measure the determinants of risk and return
5. Determine and forecast cash flows from long-term projects
6. Apply the principles underlying the diagnosis, restructuring and recovery of financially troubled companies
7. Calculate a firm's after tax cost of capital
8. Calculate NPV and IRR in order to make project investment decisions
9. Determine the synergy compatibilities of merger and acquisition candidates and the impact on future corporate value

10. Determine corporate financial distress through the calculation of Z-score variables (Altman, 1993)
11. Determine the value of a firm using the Modigliani & Miller, 1958 theory
12. Determine debt restructure alternatives
13. Calculate the cost of distress and liquidation.

College Policies

Plagiarism: Plagiarism and Academic Dishonesty are not tolerated at Northwestern Connecticut Community College. Violators of this policy will be subject to sanction. Please refer to your “Student Handbook” under “Policy on Student Rights,” the Section entitled “Student Discipline,” or the College catalog for additional information.

Americans with Disabilities Act (ADA): The College will make reasonable accommodations for persons with documented learning, physical, or psychiatric disabilities. Students should notify Roseann Dennerlein, the Counselor for Students with Disabilities. She is located at Green Woods Hall, in the Center for Student Development. Her phone number is 860-738-6307 (V/TTY) and her email is rdennerlein@nwcc.commnet.edu.

School Cancellations: If snowy or icy driving conditions cause the postponement or cancellation of classes, announcements will be made on local radio stations. Students may also call the College directly at (860) 738-6464 to hear a recorded message concerning any inclement weather closings. Students are urged to exercise their own judgment if road conditions in their localities are hazardous.