

Finance
Course Number: 22:390:605
Course Title: Advanced Financial Management

COURSE DESCRIPTION

The purpose of this course is to provide an in-depth study of advanced financial management concepts and how they are applied in practice. The course will consist of lectures, case studies, exams and guest speakers. Lectures will introduce specific finance concepts. Homework and exams will reinforce understanding of concepts. Case studies will apply concepts to real world situations. Guest speakers will highlight personal experience with concepts and application.

COURSE MATERIALS (And Other Study Aids)

1. **Textbook (OPTIONAL):** Analysis for Financial Management, by Robert C. Higgins, McGraw Hill, 2016. You can use the digital version, an older version or this current version.
Digital version: <http://connect.mheducation.com/class/l-kaplowitz-adv-financial-mgt-2239060530---sp19> If you encounter any issues registering for Connect, support is available at [1-800-331-5094](tel:1-800-331-5094) or <http://mpss.mhhe.com/>
2. **Case Packet (MANDATORY):** Cases are mandatory. There are also articles and primers, available for purchase, noted as “optional” in the course pack for additional background.
3. **Course Packet (OPTIONAL):** These are articles and primers, available for purchase for additional background.
4. **Microsoft Excel (MANDATORY):** Other spreadsheet programs/applications do not provide the same flexibility and ease of use as excel. Student rates available at software@rutgers.edu.
5. **Website (MANDATORY):** <http://canvas.rutgers.edu>. Lecture slides, in-class excel problems (and solutions), syllabus and other information will be posted. YOU ARE RESPONSIBLE for downloading all class materials, handouts, and readings for a session.

LEARNING GOALS AND OBJECTIVES

Advanced Financial Management will concentrate on the practical application of finance in the strategic decision making process. The course will provide students with practical experience in solving finance issues typically encountered in investment banking and the CFO's office through lecture, case study and excel-based lessons. On successful completion of this course, students will be able to apply these concepts; and, most importantly, be able to think critically, logically and systematically in financial terms. More specifically, student will determine the appropriate course of action and decision regarding the following concepts and situations:

1. Financial statements - understand how the statements tell a story about the company's financial strength and strategy.
2. Discounted cash flow valuation - Apply the concept to case study scenarios and simulations.
3. Financial planning & analysis (FP&A)- Construct a multi-year financial forecast based on given assumptions.
4. Payout policy & use of excess cash (share repurchase, dividends) – Weigh investor demands against capital requirements and tie to long term business strategy and capital requirements.
5. Company valuation - Review the various methods (DCF, public comps, transactions multiples, premiums paid) used to value transactions and negotiate an M&A transaction in a simulated environment.
6. Raising capital and valuing companies in private and public company environments
7. Prioritizing cash over profit and working capital management (cash conservation and cash conversion cycle) - Know how to navigate a capital constrained company and what metrics and “levers” to focus on to turn performance around. Determine company projects in simulated environment.
8. “Day in the Life” guest panel - Discover the various roles and responsibilities of finance professionals outside of investment banking and consulting.
9. Performance management (KPIs, dashboards and balanced scorecards) - Articulate and apply the role of finance in strategic decision making, from long-term strategy to tactical execution to compensation alignment.
10. Leasing and buying assets – Compare cost of the different financing methodologies
11. Oral and written skills – Practice presenting financial information to maximize impact and delivery.

PREREQUISITES

Financial Management (22:390:587 or 22:390:522), Accounting for Managers (22:010:577 or 22:010:521) and Managerial Economic Analysis (22:223:581 or 22:010:502)

ACADEMIC INTEGRITY

I do NOT tolerate cheating. Students are responsible for understanding the RU Academic Integrity Policy (<http://academicintegrity.rutgers.edu/>)

I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given

any unauthorized assistance on this examination or assignment.” I will screen all written assignments through *SafeAssign* or *Turnitin*, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See business.rutgers.edu/ai for more details.

ATTENDANCE AND PREPARATION POLICY

- Expect me to attend all classes, unless otherwise noted. If I am unable to attend class, I will send you an email and post an announcement on Canvas, as soon in advance as possible.
 - Students are expected to attend all classes. If you are to be absent, report your absence in advance at <https://sims.rutgers.edu/ssra/>. If your absence is due to religious observance, a Rutgers-approved activity, illness, or family emergency/death, also send instructor email with full details and supporting documentation.
 - For weather emergencies, consult the campus home page. If the campus is open, class will be held.
 - Expect me to arrive on time for each class session. I expect the same of you.
 - Expect me to prepare properly for each class session. I expect the same of you. Complete all background reading and assignments. You cannot learn if you are not prepared.
 - Expect me to participate fully in each class session. I expect the same of you. Stay focused and involved. You cannot learn if you are not paying attention.
 - Expect me to answer your questions and engage in open discussion. I expect the same of you. You will be “cold-called” from time to time.
-

CLASSROOM CONDUCT

Students are responsible for everything that is detailed on Canvas, listed in the syllabus, announced electronically or in class, and presented or discussed in class. Students are responsible for all work missed during an absence. There is **NO LATE WORK** accepted and **NO CREDIT** for **LATE WORK**.

In addition, participation is component of your final grade. You need to be actively engaged in class in order to learn and perform well. You will not succeed by simply showing up. To create an optimal learning environment, please adhere to the following:

1. Instructors, TAs, students and guest speakers will acknowledge and respect each other and the related comments/discussions.
2. Arrive on time for each class session.
3. Remain for the entirety of each class session. Do not pack up early.
4. Bring your name card and display during every class.
5. Avoid disruptions during class such as private conversations, use of a cell phone (turn off before class), using a laptop for something other than current classroom work, and sleeping/snoring.
6. Eating/drinking (non-alcoholic) is permitted, especially if it keeps you awake. However, be careful not to spill on your laptop!

7. Be engaged. Participation is required and essential to the quality and depth of learning of the entire class.

The more prepared the class is, the more lively the discussion, the more everyone will learn from each other.

8. Expect to be “cold-called.” It keeps students engaged and indicates to instructor the level of understanding of materials currently being discussed/presented.
9. Bring to class daily:

(1) Namecard	(4) Brain
(2) Laptop	(5) Positive attitude
(3) Assignments/ Cases due	(6) Willingness to learn

EXAM DATES AND POLICIES

There are (2) *non-cumulative* midterm exams, worth a total of 40% of your overall grade, in this course:

- Midterm 1 – 22.5% -
- Midterm 2 – 22.5% -
- Exams are closed book. You will be able to use excel but no other programs will be permitted. You will also be given 1 pre-printed page of formulas.
- No cell phones will be permitted.
- Alternate seating if classroom permits – do not sit next to another student or in your usual seat.

GRADING POLICY & ASSIGNMENT DUE DATES

Course grades are determined as follows:

Final exam	45%
Case analysis	30%
Presentation/pitch	10%
Case simulations	5%
Concept checks	5%
Class participation	3%
Case quiz	2%

Grade distribution as follows:

A	90 – 100%	C+	76 – 77%
A-	88 – 89%	C	70 – 75%
B+	86 – 87%	C-	68 – 69%
B	80 – 85%	D	60 – 67%
B-	78 – 79%	F	< 60

All assignments and points are posted on Canvas with the exception of participation, which will be assigned at the end of the semester. ***Each 100 points = 1% of your overall grade.***

1. **Concept Checks***: These are designed to ensure you understand the fundamental concepts needed to apply to the case study assignments (and your future careers). Please submit through ‘Canvas’, unless otherwise noted. You can work on with others, but you must submit ***INDIVIDUALLY***.
2. **Case Analyses & Simulations***: The case analyses and simulations are available . You must complete as a team of 3-4 people and only need to turn in

(1) copy, as long as all members' names are included on the first page. You must submit, prior to class, both Paper and Electronic Copies as a **TEAM**.

3. **Presentation/Pitch***: Your group will make a 10 minute pitch to me, the CEO, and your classmates, the Board of Directors, to engage in a financial transaction or project. You will submit slides and excel backup as well.
4. **Participation** - You must come to class to learn as the lectures and case discussions are very detailed.
Additionally, if your name is called at random to answer a question (cold-called) and you do not respond, your participation grade will be reduced. If you are distracting the class by using your computer or phone for nonclass purposes, your participation grade will be reduced.
5. **TO RECEIVE FULL CREDIT**: Please turn in both hard and soft copies of ALL cases prior to class. Bring additional copy to class for you to use to aid with discussion.
6. No late assignments will be accepted, and no partial credit will be awarded, as we discuss the assignment in class when due.
7. There is no extra credit.
8. The final grade will be determined based on the aggregated score of all of the above categories. Your final grade is not negotiable. If you feel a calculation error was made, please submit your request in writing to me within one week of receiving your final grade. Grades will be adjusted only if a calculation error has been made.

**All due dates are tentative and subject to change.*

COURSE OUTLINE/SCHEDULE:

(Tentative Schedule) *

Topic	Text Chpt	Optional Readings	Due
Intro/Review Financial Statements	1		Optional Excel online
In class simulation: The Data Detective Budgeting & Forecasting In Class Budget - Celgene	2		Read HBS Tutorial: Data Detective Read Celgene Concept Check #1&2 Due: Fin Stmt
DCF Application In Class: Tottenham	3,7,8		Read HBS Case: Tottenham-Quiz Concept Check #3 Due: Budgeting
Review Tottenham Fin Decision & Leverage	6	- Note on Adj. PV - Note on Cash Flow Valuation Methods	Case #1 Due: Tottenham

Payout Policy (Share repo v Div)	4		
Bed Bath & Beyond			Case #2: Bed Bath Part 1 Due
Valuation - Comparable companies	9		
Guest Lecture - Noam Cohen Bed Bath & Beyond			Case #2: Bed Bath Part 2 Due
Private Equity/VC Valuation Review	Apndx		Concept Check #4: Comps & Payout Policy Due
Midterm I Day in the Life Panel			
Private Equity/VC Valuation M&A: Strategic rationale/valuation		- Creating Value through M&A - Business Valuation in M&A	
In class simulation: M&A in Wine Country Prioritizing Cash over Profit		- Working Cap.: Sum. of Ratios - Homing in on Cash Conversion	Simulation - M&A in Wine Country Concept Check #5: Valuation Due
Review M&A in Wine Country Leasing Fin in Strategy /Performance Mgt			Concept Check #6: Cash v Profit Due
Midterm II Drowling Breakeven			Read Drowling - Quiz
Drowling Pitch/Presenting to Clients			Case #3: Drowling Mountain Due
Pitch/Presentations Last Day of Class - Review/ Conclusion			

**All due dates are tentative and subject to change.*

SUPPORT SERVICES

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the

Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at ods.rutgers.edu.

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email dsoffice@echo.rutgers.edu]

[Rutgers University-Newark ODS phone (973)353-5375 or email ods@newark.rutgers.edu]

If you are ***pregnant***, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email jackie.moran@rutgers.edu]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email TitleIX@newark.rutgers.edu]

If you seek ***religious accommodations***, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email deanofstudents@echo.rutgers.edu]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email DeanofStudents@newark.rutgers.edu]

If you have experienced any form of ***gender or sex-based discrimination or harassment***, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7 . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at TitleIX@newark.rutgers.edu. If you wish to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email run.vpva@rutgers.edu]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu> .

If you are a military **veteran** or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of **mental health** services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of **physical health** services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of **legal** services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to **English as a second language (ESL)** should contact the Program in American Language Studies for supports.

[Rutgers–Newark: PALS@newark.rutgers.edu]

[Rutgers–New Brunswick: eslpals@english.rutgers.edu]

If you are in need of additional **academic assistance**, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]