

**MASTER SYLLABUS**  
**School Of Business Administration, Sonoma State University**  
**BUS 507 Foundations of Managerial Finance (3)**

- I. **Catalog Description:** A foundation course designed to provide the conceptual and analytic framework guiding financial decision making within the business firm. Emphasis is on financial analysis, the evaluation of investment opportunities, working capital management, and alternative means of financing the firm.
- II. **Prerequisites:**
- Courses: BUS 501.
- Justification: BUS 501 (Principles of Accounting): Finance includes analyzing and forecasting financial statements in order to assess firm strengths and weaknesses, present and future. Without an understanding of how the statements are prepared, students would be unable to perform this task.
- III. **Course Learning Outcomes:** At the end of this course, students should be able to:
- A. Describe the institutional and tax environments in which firms operate.
  - B. Assess the financial health of firms by examining their financial statements.
  - C. Adjust the values of cash flows across time.
  - D. Calculate returns, and riskiness of returns, for various assets.
  - E. Describe the source of asset value, and be able to calculate values for various financial assets.
  - F. Assess the value of potential investments in fixed assets, and make correct decisions on whether or not to proceed with the investment.
  - G. Describe the sources of capital available to firms, and estimate the cost for various sources.
  - H. Forecast financial statements into the future, and determine future external financing needs.
  - I. Describe the importance of working capital to the firm's financial health, and its effect on the firm's profitability and liquidity.
  - J. Describe sources of short-term financing available to firms, and the relative advantages or disadvantages of each.
  - K. Describe the tradeoff between minimizing cash balances and maintaining sufficient liquidity, and determine optimal cash balances for firms.
  - L. Describe the tradeoff between levels of investment in accounts receivables and inventory, and the profitability and liquidity of the firm.
  - M. Describe how international trade creates additional risks and opportunities for firms. Students should be able to assess the effect of varying exchange rates on financial statements, cash flows from fixed assets, credit decisions, and pricing strategies.
- IV. **Course Materials:** The materials required for this class may include a textbook and lecture notes. A financial calculator is also required.
- V. **Teaching Methods:** The primary teaching methods for this course includes class lectures and outside-of-class projects (including homework problems). Class lectures are used to present institutional details, theories, and example problems. Projects are used to reinforce application of concepts and theories, and to introduce students to library and other information sources.

VI. **Evaluation Tools:** Evaluation of student performance will be conducted by means of homework assignment, short quizzes, term projects, and exams. Selection of evaluation tools is at the discretion of the instructor.

VII. **Course Content:**

A. **Course Topics:**

1. The role of finance and the financial manager
2. The operating environment of the firm
3. Financial statement structure and analysis
4. Time value of money
5. Risk and return definitions and measurement
6. Capital budgeting - cash flow estimations
7. Capital budgeting - techniques
8. The cost of capital
9. Financial planning and forecasting
10. New working capital and short-term financing
11. Cash and marketable securities analysis
12. Account receivable and inventory analysis
13. International finance

B. **Interdisciplinary Content:**

	<b>Minimum Number of Class Hours Devoted to Topic</b>	<b>Required Graded Work Other Than Exams?</b>
International/Global	4	Yes
Ethical Issues	2	No
Political Issues		
Social Issues	1	No
Legal/Regulatory Issues	3	Yes
Environmental Issues		
Technology Issues	4	Yes
Demographic Diversity		

C. **Interdisciplinary Skills:**

	<b><u>Required</u> Graded Work Other Than Exams?</b>
Oral Communications	Yes
Written Communications	Yes
Critical Thinking	Yes
Working in Teams	Optional