

**Financial Tools for Strategic Decisions
 EMBA 5440**

Course Description and Objectives:

This course focuses on the best practices regarding financial tools/models used to help guide strategic decision making. More specifically, we will be discussing various methods for evaluating corporate investment opportunities. The course will begin by introducing some basic concepts such as the time value of money, extending to the core concepts such as cash flow estimation, determining the appropriate hurdle rate, and the various widely used performance indicators such as NPV, IRR, etc. Additionally, the course will address more advanced topics such as risk assessment and the use of Monte Carlo Simulation.

This course addresses the following program learning outcomes:

1. Students will demonstrate strategic decision-making capability.
2. Students are capable of rigorous analysis of data and stakeholder concerns.
3. Demonstrate wisdom through judgment/decision-making that integrates the needs of multiple stakeholders and adapts personal behavior appropriately.

Class Schedule & Assignments

Date & Time	Pre- Class Reading	Discussion topics	Deliverable(s)
September 21 8:15-12:00 pm	Titman and Martin: Chapters 1 and 2 and Various Articles	Intro to Capital Budgeting Cash Flow Estimation	Cash Flow Estimation Assignment: Due Sept. 29 th On-Line Corporate Objective Assignment: Due Oct. 13 th
October 17 8:15-12:30 pm	Titman and Martin: Chapters 4 and 5 and Various articles	Determining Hurdle Rates Various Performance Measures Review Surveys	Performance Measures Assignment: Due Oct. 27 th
November 08 8:15-11:45 am	Titman and Martin: Chapter 3 and Various articles	Risk Assessment Tools & Monte Carlo Simulation	
December 14 8:15-12:00 pm		Group Presentations of Ford case	

Course Requirements:

Part of the course requirements includes course participation. You are expected to come to each session having read the required material and prepared to participate in class discussions. This course will also have two individual assignments and a group case analysis. The individual assignments will require some computational work (using Excel) and a short write-up describing your procedures and findings. The group case analysis is based on the Ford Company which will be used by all of the instructors this quarter.

Course Evaluations:

- 20% Course Participation (including on-line assignment)
- 50% Two Individual Assignments
- 30% Group Case Analysis: Ford Company (20% write-up, 10% presentation)

Required Readings:

Valuation: The Art & Science of Corporate Investment Decisions, by Sheridan Titman and John Martin, Pearson/Addison Wesley.

Various Articles (a list by class session is provided in the appendix).

Appendix

Reading List by Session (listed in order of relevancy)

Articles for Session I:

“How Do CFOs Make Capital Budgeting and Capital Structure Decisions” (pages 8-12)

“The CEO’s Guide to Corporate Finance”

“Creating Value Through Best-n-Class Capital Allocation”

Articles for Session II:

“Best Practices in Estimating the Cost of Capital: An Update”

“Single vs. Multiple Discount Rates”

“Internal Rate of Return: A Cautionary Tale”

“Performance Measures for Non-Profits”

Articles for Session III:

“Strategy Under Uncertainty”

“A Fresh Look at Strategy Under Uncertainty: An Interview”

“Risk Analysis in Capital Investment”

“Risk Management and Monte Carlo Simulation: An Illustration and Cautionary Tale”

Articles for Online Session:

“Value Maximization, Stakeholder Theory, and The Corporate Objective Function”

Title IX

Title IX of the Education Amendments of 1972 (Title IX) prohibits discrimination based on sex in educational programs or activities that receive Federal financial assistance. This prohibition includes sexual misconduct, which encompasses sexual harassment and sexual violence. Seattle U remains committed to providing a safe and equitable learning, living, and working environment. Seattle U offers emergency, medical, and other support resources, as well as assistance with safety and support measures, to community members who have experienced or been impacted by sexual misconduct.

Seattle U requires all faculty and staff to notify the University's Title IX Coordinator if they become aware of any incident of sexual misconduct experienced by a student.

For more information, please visit <https://www.seattleu.edu/equity/>. If you have any questions or concerns, you may also directly contact the Title IX Coordinator in the Office of Institutional Equity (email: oi@seattleu.edu; phone: 206.296.2824)

University Resources and Policies

Academic Resources

- Library and Learning Commons (<http://www.seattleu.edu/learningcommons/>)
(This includes: Learning Assistance Programs, Research [Library] Services, Writing Center, Math Lab)
Note: The Learning Commons does not offer tutoring for EXLR/EMBA/HEMBA-level students.
- Academic Integrity Tutorial *(found on Angel and SU Online)*

Academic Policies on Registrar website

(<https://www.seattleu.edu/registrar/academics/performance/>)

- Academic Integrity Policy
- Academic Grading Grievance Policy
- Professional Conduct Policy *(only for those professional programs to which it applies)*

Notice for students concerning Disabilities

If you have, or think you may have, a disability (including an 'invisible disability' such as a learning disability, a chronic health problem, or a mental health condition) that interferes with your performance as a student in this class, you are encouraged to arrange support services and/or accommodations through Disabilities Services staff located in Loyola 100, (206) 296-5740. Disability-based adjustments to course expectations can be arranged only through this process.