



SEATTLE UNIVERSITY

ALBERS SCHOOL OF BUSINESS & ECONOMICS

MBA 5220: FINANCIAL PERFORMANCE ANALYSIS

SPRING QUARTER 2020 SYLLABUS

ONLINE, MONDAY, 6:00 TO 8:40 PM

First/last sessions: April 06 / June 8

Canvas site: <https://seattleu.instructure.com/login>

FACULTY	EMAIL, OFFICE	PHONE	OFFICE HOURS
DENNIS APPEGATE, CPA, CMA, CIA, CFE, CFM	EMAIL: applegad@seattleu.edu OFFICE: PIGT 532	(206) 296-5723 (206) 296-5784	MONDAY 4:30 – 5:30 PM AND BY APPOINTMENT

CLASS SCHEDULE

Adjustments to the class schedule will be made as appropriate in the circumstances.

DATE	TOPIC	TO BE READ BEFORE CLASS	LEARNING OBJECTIVES
Apr 06	Introduction and Overview Course Organization	Parrino, et al. Ch. 1, pp. 1-23	Parrino, et al.: 1-6
Apr 13	Easter Monday – No class		
Apr 20	Financial Statements and Cash Flows* Dividends and Stock Repurchases	Parrino, et al. Ch. 3, pp. 1-29 Parrino, et al. Ch. 17, pp. 1-30	Parrino, et al.: 1-8 Parrino, et al.: 1-5
Apr 28	Analyzing Financial Statements	Parrino, et al. Ch. 4, pp. 1-35	Parrino, et al.: 1-6
May 04	Midterm Exam	NA <i>Ch. 3, 4, 17 HW due</i>	NA
May 11 / May 18	Working Capital Management	Parrino, et al. Ch. 14, pp. 1-26	Parrino, et al.: 1-7
May 25	Memorial Day – No class		
May 18 / June 01	Financial Planning and Managing Growth	Parrino, et al. Ch. 19, pp. 1-28	Parrino, et al.: 1-5
June 01 / June 08	Evaluating Project Economics	Parrino, et al. Ch. 12, pp. 1-15	Parrino, et al.: 1-3, 5
June 12	Final Exam	NA <i>Ch. 12, 14, 19 HW due</i>	NA

*To include a review of business transactions and accounting adjustments based on instructor-provided review material. See second Learning Outcome, below.

COURSE DESCRIPTION

What are your resources, how do they relate to your business, how can you measure them, how can you assess their performance, how can they be used to help assess financial risk and opportunity? All are questions for which a business must answer to its stakeholders – investors, creditors, suppliers, and employees – so that the progress and problems of a firm are understood.

In MBA 5220, we will study the basics of accounting information flows and the financial structure for a business, all of which are basic to planning and operating an enterprise or a product line. As such, we will focus first on preparing and analyzing financial statements, contrasting the accrual-based nature of these statements to the actual cash flowing to the enterprise. From there we will apply analytical techniques to assess earnings performance and to identify and mitigate financial risk. Based on this work, the true value of formal financial accounting will no doubt come into focus. Next, we will use analytical techniques to forecast the future financial status of the firm, developing pro forma financial statements and cash budgets that will help us to focus not just on financial risk but opportunities as well. Lastly, we will evaluate the effect of a proposed product, program, or project on the current earnings performance of the enterprise, using the results to inform our management decision-making.

LEARNING OUTCOMES

Upon your successful completion of the course, you will be able to:

- Ethical implications of selected corporate finance-related scenarios on the business management professional;
- Identify the effect of business transactions and accounting adjustments on the accounting equation;
- Explain the process of preparing GAAP-required financial statements, defining the components of each;
- Analyze key performance measures governing profitability, liquidity, leverage, and working capital management;
- Evaluate working capital management strategies and approaches and their effect on cash flow, focusing special attention on short-term financing requirements;
- Develop pro forma financial/operating plans including a cash budget, identifying and assessing risk/opportunities; and
- Analyze the effect of changes in variable and fixed costs on the operating leverage and breakeven point of the firm.

PERFORMANCE ASSESSMENT

Basis of Grade

- Exams (2)
- Team / News Minute Presentations
- Professionalism/Participation
- Homework

Points

- 250 points (50%)
- 125 points (25%)
- 75 points (15%)
- 50 points (10%)

Grading Scale

- A = 90% (90-91 = A-)
- B = 80% (88-89 = B+; 80-81 = B-)
- C = 70% (78-79 = C+; 70-71 = C-)
- D = 60%

Exams (50%)

Two exams, weighted equally, will be given on the nights listed on the course calendar. The second exam will consist of material not tested on the first exam. The second exam will also include an abbreviated ethics-related case to analyze. Each exam will contain some combination of objective-format questions, short-answer essay questions, relatively brief exercises similar to those worked in class, or analytical problems similar to those assigned as homework, though much abbreviated. Both quantitative and conceptual knowledge will be tested, but all will have been covered in class or at least contained in the lecture notes. Calculators, nonprogrammable, are permissible and recommended. The exams must be taken when scheduled. No points can be earned for a missed exam.

Team Presentation (20%)

Team presentations will be based either on an ethics case study from the textbook or an assigned article from a leading journal. Students will develop their presentations in teams of two and will be assigned a specific date on which they will make their presentation. Student teams will be formed the first night of class, and the presentations started the second night of class in accordance with the presentation schedule. Be sure to review the draft presentation topics and schedule posted on Canvas before the first class. The purpose of each presentation is to convey knowledge to the class on a course-related aspect of ethics or financial management. The team presentation should not exceed 20 minutes. Each team will need to make its presentation as scheduled to earn the point value assigned for that portion of the grade.

News Minute Presentation (5%)

Each student will present relevant financial news or describe an interesting concept or a recent development in connection with corporate accounting or finance. The presentation should not exceed five minutes. You will be assigned a specific date on which you are expected to present your News Minute and will need to make your presentation as scheduled to earn the point value assigned for that portion of your grade. If you plan to project files or websites, please make sure they are set up and ready to go before class begins.

Professionalism/Participation (15%)

Professional participation is an important success factor in your career and is included in the course grading criteria for that reason. For this class, it is expected that students will come to each class session adequately prepared, pay attention to class lectures and discussions, not be distracted by electronic devices, follow-through on team presentation commitments, and actively work assigned class exercises, presenting their work to others as needed. Any variance from these criteria will be counted as negative participation. Although such criteria are subjective, similar to what you will encounter throughout your professional career, you are welcome to seek feedback from me at any time during the course. Negative participation notwithstanding, your participation grade will be based on the number of classes attended (“attendance”) and the number of classes in which you ask relevant course questions, respond appropriately to instructor questions, and work class exercises in a supportive and productive manner (“class involvement”).

<i>Class Involvement</i>		<i>Attendance</i>	<i>Participation Grade*</i>
≥ 7 classes	AND	≥ 7/8 classes	75 points
≥ 6 classes	AND	≥ 6/8 classes	65 points
≥ 5 classes	AND	≥ 5/8 classes	55 points
≥ 4 classes	AND	≥ 4/8 classes	45 points
≥ 0 classes	AND	≤ 3/8 classes	0 points

**Based on the highest that simultaneously meets the conditions of attendance and class involvement.*

Homework (10%)

All HW assignments will be completed via the WileyPLUS student companion website. The assignments are intended to reinforce the concepts and techniques of the readings and lectures, and are to be done on your own. HW for Ch. 3, 4, and 17 is due on May 4th, prior to the first exam. HW for Ch. 12, 14, and 19 is due on June 12th, prior to the second exam. Even though the due dates may have lapsed, the assigned homework will remain available for your review until the final exam. You will be allowed three attempts to answer each section or component of an assigned exercise or problem. Also included on the Wiley Plus website is free access to student practice problems and other resources to enhance your performance in the course. You are encouraged to complete the HW practice problems and HW assignments as soon as possible after the related chapter is covered in class. No extensions to the HW due dates can be provided. To complete the HW, go to www.wileyplus.com and enter your course ID.

COURSE ORGANIZATION

Class Sessions:

Each class will include a mix of teaching techniques designed to form a workshop environment; namely, short, relevant lectures on the key topics from the assigned readings, and in-class, analytical problem-solving sessions intended to prepare students, in part, for the homework/exams to follow. The first .5 hour of each class will be set aside for class questions, so that all students may benefit from the answers provided. Questions are expected and encouraged. The last .5 hour or more of each class, including those on exam nights if necessary, will be dedicated to team presentations.

Readings:

Textbook chapters should be read prior to each class as assigned (see *Class Schedule* above), excluding appendices, and focusing only on the applicable learning objectives by chapter as shown in the Class Schedule.

Attendance:

The expectation is that you attend every class, arriving on time and ready for each class session, having completed the assigned readings and coming prepared with well-thought-out questions.

Technology:

To minimize distractions and disruptions in class, please limit use of electronic devices to classroom-related activities. Only nonprogrammable calculators will be allowed for the midterm and final exams.

COURSE MATERIALS

Textbook:

Parrino, Robert, et al. *Fundamental of Corporate Finance*. 4th edition. John Wiley & Sons.
ISBN: 978-1-119-37140-3. Wiley Plus software should have been included with your textbook. If not, you may register/purchase it at www.wileyplus.com. All HW assignments will be worked on this software.

Articles:

Statement on the Purpose of a Corporation. Business Roundtable. August 19, 2019.

Shareholder Value Is No Longer Everything, Top C.E.O.s Say. New York Times. August 19, 2019

(Articles from *Strategic Finance*, *Journal of Accountancy*, or similar publications will be posted for your review on Canvas and brought up for class discussion if and when appropriate. Some may be used for team presentations.)

Wiley Plus:

To register for your course simply go to www.wileyplus.com/go/login. Click “Sign up now” to create an account. You will be asked to enter your course section ID (**A74768**) for **Spring 20 – MBA 5220 - Applegate** to find your course and complete the registration process. If you already have a Wiley Plus account, just log in and click the yellow “Add more courses” button. You will be asked to enter your course section ID (**A74768**) to find your course and complete the registration process. Wiley advises that students should go to the New WileyPLUS support page and initiate a live chat if they are having trouble locating or registering for the course: <https://hub.wiley.com/community/support/wileyplus-nextgen>. Chat agents are available 24/7.

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)
- **Academic Integrity Tutorial** (<https://www.seattleu.edu/academicintegrity/>)

ACADEMIC POLICIES ON REGISTRAR WEBSITE

(<https://www.seattleu.edu/redhawk-axis/academic-policies/>)

- **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.

NOTICE REGARDING RELIGIOUS ACCOMMODATIONS

It is the policy of Seattle University to reasonably accommodate students who, due to the observance of religious holidays, expect to be absent or endure a significant hardship during certain days of their academic course or program. Please see, Policy on Religious Accommodations for Students (<https://www.seattleu.edu/media/policies/Policy-on-Religious-Accommodations-for-Students---FINAL.PDF>).

OFFICE OF INSTITUTIONAL EQUITY

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:** ois@seattleu.edu; **phone:** 206.296.2824) University Resources and Policies.