



ALBERS
SCHOOL OF BUSINESS
AND ECONOMICS

Analytical Tools for Managerial Decision-Making

OMBA 5225 | 3 credit hours

COURSE DESCRIPTION

What are your resources, how do they relate to your business, and how can you measure them? How does the market and economic context restrict and provide opportunities for applying those resources? What is the value of the enterprise that you create and how does that depend on your financing decisions?

In OMBA 5220, you learned the basics of information flows and of financial structure for a business, which are fundamental to planning and operating an enterprise or a product line. We will carry this further by examining corporate financing and investment decisions in the presence of uncertainty, risk and conflicting goals among stakeholders. You will be introduced to tools and techniques used in valuation and investment decisions.

The second half of this course develops the fundamental economic tools for business decision-making, given that you have a sense of what is involved in operating a business. We will start with perspectives on assessing your resources, particularly focusing on costs. We will then move up a level to the market context, exploring how to understand highly competitive markets and markets where you have some degree of market power. We will apply this to the topic of pricing, showing how your choices and opportunities are set both by your own resources and the market that surrounds you.

LEARNING OUTCOMES

On successful completion of this course (i.e. by passing this course), you will be able to

- (1) Apply time value of money techniques to asset valuation and project analysis;
- (2) Evaluate corporate financial decisions in a risk-return framework;
- (4) Apply simple principles concerning your costs of doing business;
- (5) Apply various pricing strategies, as appropriate to the nature of your business;
- (6) Understand supply and demand for a business in the context of current market conditions, including macroeconomic forces.

FACULTY	EMAIL, OFFICE, ZOOM	PHONE	OFFICE HOURS
Katya Emm Finance	EMAIL: emm@seattleu.edu OFFICE: PIGT 526 ZOOM MEETING ID: 931 0549 4967 ZOOM MEETING PASSCODE: 5225	(206) 296-5785	MONDAY 6:00-8:00 PM TUESDAY 6:00-8:00 PM AND BY APPOINTMENT
Erin Vernon Economics	EMAIL: vernoner@seattleu.edu OFFICE: PIGT 522	(206) 296-2073	BY APPOINTMENT

TEXTS AND MATERIALS

- **Finance Textbook:** Parrino, R., T. Bates, S. L. Gillan, and D. S. Kidwell, Fundamentals of Corporate Finance (4th edition), WileyPLUS. **Important!** You will need to get access to the textbook materials on WileyPLUS. To register for WileyPLUS, go to the course site on Canvas and click on any WileyPLUS link there.
 - New students should click “Create New User Profile” to sign-up and receive a confirmation email with an activation code to complete the one-time registration process for WileyPLUS access.
 - Students who already have a WileyPLUS account can simply log in under "Existing User Profile" – this is a one-time process.
 - WileyPLUS technical support: 800-762-2974.
- Access to **MS Excel** on your computer or a **financial calculator**. If you plan to purchase a financial calculator, the Texas Instruments BA II Plus calculator (either student or professional version) is a good choice.
- **Econ Textbook:** Essentials of Economics, Krugman, Wells & Graddy (3rd edition), Print ISBN: 978-1429278508
- **Econ Week 10 Article:** Colander, D. (2003). Integrating sex and drugs into the principles course: Market-failures versus failures-of-market outcomes. *The Journal of Economic Education*, 34(1), 82-91 (will be posted in the Week 10 module)

COURSE OUTLINE

WEEK	TOPICS	READINGS
1	The Time Value of Money	Parrino Ch 5
2	Discounted Cash Flows and Valuation	Parrino Ch 6
3	Debt Financing	Parrino Ch 8
4	Equity Financing	Parrino Ch 9
5	The Cost of Capital	Parrino Ch 7.5-7.7 (skip ‘the CAPM and Portfolio Returns’ section) and Ch 13
6	Economic Principles & Markets	KW&G Ch 1 and 3
7	Market Fluctuations & Price Controls	KW&G Ch 3 (continued) and Ch 4 (exclude quota section)
8	Elasticity & Costs	KW&G Ch 5 (skip taxation sections) and Ch 6
9	Market Structures	KW&G Ch 7 and 8
10	Market Failure Review & Failure of Markets	Colander Article

EVALUATION AND GRADING

Assignment	Points
Finance: Weekly assignments (5 points weekly)	25
Finance: Financial analysis project	25
Econ: Weekly discussions/assignments (5 points weekly)	25
Econ: Final LEAD assignment	25
Total Points	100

Point scale	Letter grade
94% and higher	A
90% - 93.99%	A-
87% - 89.99%	B+
84% - 86.99%	B
80% - 83.99%	B-
77% - 79.99%	C+
74% - 76.99%	C
70% - 73.99%	C-

COURSE POLICIES

ATTENDANCE

Attendance in an online course is evidenced by logging into, and being an active participant, in our online course site. Active participation is an essential and intrinsic element of the education process. Absence affects the learning experience and erodes the program's norms for quality.

When you are planning an absence, it is your responsibility to notify the instructors via e-mail to arrange any necessary make-up assignments. In addition, you will need to collaborate with cohort members or study teams to cover any missed group work. Please contact your instructor(s) to discuss concerns.

INTERNET ACCESS

We will use a variety of online applications to communicate and collaborate. As such, you will need a reliable, high-speed Internet connection for the duration of this course. If you are traveling and anticipate that some content in this course may be blocked, please contact your instructor as soon as you learn of this.

LATE WORK

Assignments must be submitted by the set deadlines, which will be provided on Canvas. Since professors block out times in their schedules specifically for grading your work, the MBA program faculty have established a policy of not accepting late work. We also understand, however, how demanding your work and school and life are as well. As such, we do allow late work to be accepted with a 10%/day grade reduction (including weekends). The deduction will be taken from the maximum number of points available on the assignment. Exceptions or extensions or modifications to these penalties may be made only in the event of rare and extenuating circumstances. Every effort should be made to let your professor(s) know about your extenuating circumstances before the assignment is due.

UNIVERSITY RESOURCES & POLICIES

ACADEMIC RESOURCES

- [Library and Learning Commons](#) - Research Services, Learning Assistance, Writing Center, Math Lab, Media Production Center
- [Academic Integrity](#)

ACADEMIC POLICIES

- [Academic Integrity](#)
- [Academic Grading Grievance Policy](#)
- **Support for Students with 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](#).

- **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 by email: oiie@seattleu.edu or phone: (206) 296-2824.