

**San José State University**  
**School/Department**  
**Course Number:173B, Title: Case Problems in Finance**  
**Section: 1, Semester: Fall, Year: 2018**

**Course and Contact Information**

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|------------------|---|
| Instructor:      | Anu Vuorikoski  |
| Office Location: | BT 961  |
| Telephone:       | 530-863-7055 (For Texting)  |
| Email:           | anu.vuorikoski-bullis@sjsu.edu  |
| Office Hours:    | In Office:<br>Tuesdays 4:30-5:30, Wednesdays 12:15-1:15 & 4:30-5:30<br>Via Zoom: By appointment 7 days a week<br>No hours/meetings after class. |
| Class Days/Time: | Tuesdays 6:00pm – 8:45pm (15 min break at END)  |
| Classroom:       | BBC 302   |
| Prerequisites:   | 173A with a C or above  |

**Course Format**

**Technology Intensive, Hybrid, and Online Courses**

This course meets in BBC 302 for lectures and “flipped classroom” problem solving exercises. However, the class has TWO recorded live on-line sessions with the teams with active participation earning credits. These sessions start at 4pm. All students will need to access ZOOM, including audio, during those sessions. A 3<sup>rd</sup> On-line session may be announced OR held if circumstances require it. <https://sjsu.zoom.us/>

All students should enable Canvas PODCAST and will need to access Canvas once a week at a MINIMUM and MUST submit ALL assignments as Canvas Assignments uploads by the due times on Mondays. TurnItIn will be enabled for many Assignments. Microsoft Office use, especially Excel and PowerPoint, is a requirement in this class. While computers are available in BBC 302, a PC mouse is very helpful in allowing students to follow the examples. You can use your own computer but will need Lockdown Browser on it. Recording Permissions: As we have recorded ZOOM Sessions, you may be asked to agree to being recorded. To record my lectures or demos, you need to inform me of your intent. Taking pictures of material on the whiteboard is always allowed without specific notification.

Three on-line simulations are part of the course. The 3 seat licenses total \$35. Can be purchased all at once or week ahead of need.

## **Faculty Web Page and MYSJSU Messaging**

Course materials such as syllabus, handouts, notes, assignment instructions, etc. can be found on the Canvas learning management system (LMS) course website on [Canvas Learning Management System course login website](#) at <http://sjsu.instructure.com> Students are responsible for regularly checking with the messaging system through [MySJSU](#) at <http://my.sjsu.edu> to learn of any updates. Students should connect Canvas to their regular email and phone. The Syllabus, Agenda, Deliverables can also be found on the faculty website: <http://www.sjsu.edu/people/anu.vuorikoski-bullis/>

## **Course Description (Required)**

Catalogue Description: Advance[d] study of business case materials, including assessment of financial condition; projection of capital requirements; and analysis of decisions pertaining to working capital, capital expenditures, financing, capital structure, dividends, mergers and reorganization.

Full Description: This class is a “transition to work” course in managerial finance primarily for graduating seniors. It is an application course for concepts and tools you have been mostly exposed to in previous classes, and it will bridge you towards being ready to use the tools in a job setting. As the instructor is a former Chief Financial Officer, the course is presented completely from the practical perspective of supporting or making management decisions in the Silicon Valley corporate world.

Stanford and other studies suggest that students learn at least 30% more when they have to “explore” the issues on their own in a Flipped Classroom format and through projects. While this class is not completely flipped as we do have some lectures, you will find yourself trying things that have not been demonstrated 3 times first. Silicon Valley employer companies value and pay for employees who are self-starters and problem solvers.

YOU will do a lot of work to learn: In class students will do more talking than the professor. There are lectures but, heavily, teams will get team specific feedback with each project, and common issues will be shared with whole class. Each module does start with lecture-type concept review and preview/instruction of new material and the next project. Participation in in class exercises relating to your team projects is part of grading.

A KEY element for true learning in this class is SHARING what you know and learning from your peers as well as from the Professor. If the person who already knows financial analysis or forecasting well from prior classes does that part of the project and someone else does just the PowerPoint, the learning is not accomplished. Everyone should know how to do each piece of the project to do well on the 3 Objective Multiple ANSWER quizzes. Canvas assigns partial credit for all correct answers and deducts for incorrect answers (but not to <0). A 5x8 handwritten note card is allowed for each of the Quizzes.

The course will also get you more comfortable with making and defending (through web or market research, such as surveys) your assumptions. Most students come to class expecting to be told what to do and to be given “THE right answer”. When you forecast the future, there are NO

right answers, only good or bad assumptions. We discuss how to research and defend your key assumptions. We do sensitivity analysis of our KEY assumptions to identify the ones that need more research.

The focus is on financial strategy and internal operations in companies. The penultimate objective of financial management is to maximize the intrinsic value of the firm or the Present Value of Future Cash Flows. In other words, the objective is to maximize Shareholder wealth by maximizing stock value.

Thus a financial manager or analyst must understand not only what determines a firm's value, but also, what actions will increase value and which ones will not. The three projects increase your need to make judgments about past performance and future trends, rather than just calculating something. We will explore and learn through real company situations with companies from various types of industries and of different sizes. The instructor mostly uses current topical material and companies in the news to illustrate key points.

Key topic areas include:

Project Ia: Assessment of Financial Condition, Financial Strategy, Cash Requirements. SWOT, P5

Project Ib: Valuation and Sensitivity Analysis. Synergies and shareholder value creation. Role of Horizon Value, SWOT, P5

Final Project: Start-UP Valuation. Start-up expenses, build-up, break-evens, and Valuation Sensitivity Analysis. SWOT, P5 etc. Contrast to Projects Ia&b.

We also discuss Financing and how to manage Business Operations for maximum value, and the role of the Finance function. We look at companies both from investor and company point of view.

This class is an “application” course (it can be called the Internship course for those who cannot do an internship). It assumes you learned certain things in 170 and 173A (ratio analysis, very basic forecasting, time value of money to name the key ones) and requires significant preparation time and your full attention during class time.

### **Course Learning Outcomes (CLO) (Required)**

LO1: Students are able to find and download company financial and other information from government and other web sources and understand the challenge and limitations. This is satisfied by the 3 Pasewark “Understanding Corporate Annual Reports” Assignments.

LO2: Students are able to analyze historical performance and make a 1 year Cash Needs forecast and sensitivity analysis, and present their findings in professional manner. This is satisfied by Team and Individual Assignments on Corporate Annual reports and the Team and Individual Assignments to forecast funding needs.

LO3: Students are able to research, make and defend assumptions about future performance, and forecast future performance for valuation, including Horizon Values and present their findings in a professional manner. This is satisfied by Project 1b.

LO4: Students are able to run sensitivity and scenario analyses and present their conclusions in a professional manner. This is satisfied by the 3 Team Projects and presentation.

LO5: Students are able to prepare a work plan, follow it, and learn from misses to improve

planning. This is satisfied by the 1<sup>st</sup> Assignment of each Module being creating a Work Plan.  
LO6: Each individual student is able to take each piece of the work and perform it without the other team members and discuss how the work is done with employers. This is satisfied by the Requirements of the Projects and is tested on the Quizzes.  
LO7: Each individual student knows how to take apart a company's 10K in preparation for job interviews. This is satisfied by the Target Employer Analysis and Questions Assignments.  
LO8: Students are ready for a financial analyst job. This is satisfied by fulfilling LO1-LO7

## **Required Texts/Licenses/Readings**

### **Textbook/Licenses Required**

Pasewark: Understanding Corporate Annual Reports (any edition, used ones fine, you submit TYPED reports as a Canvas Upload Assignment)

Damodaran: Little Book on Valuation (about \$9.99 on Amazon)

Seat Licenses:

For August 24<sup>th</sup>: Financial Analysis Simulation: Data Detective \$10:00

For September 18/25<sup>th</sup>: Finance Simulation: M&A in the Wine Country V2 \$15:00

For October 23<sup>rd</sup>: New Venture Simulation: The Food Truck Challenge \$10

They can be purchased here: <https://hbsp.harvard.edu/import/549600> Link also in Individual Assignment 1a.

### **Other Readings**

Current Articles from the Economist, Wall Street Journal, Harvard Business Review, and other sources may be distributed via Canvas Link or e-mail Link as they relate to the material being studied. Dr. Damodaran's website at NYU Stern has plethora of resources to supplement the book.

### **Other technology requirements / equipment / material**

As stated above, students will need to use a computer with MS Office and Lockdown Browser in this class. Computers are available in BBC 302 to check out against your ID but students should bring their own mouse. Licenses to the Simulations from HBSP, and any preparation for the class session ahead of time. One simulation is homework. SCORE.Org, Other resources may be added

### **Course Requirements and Assignments (Required)**

SJSU classes are designed such that in order to be successful, it is expected that students will spend an **average of 2+x class time outside of class (3 TOTAL hours per week for each 1 UNIT), including preparing for class, participating in course activities, completing assignments, etc. totaling at least 9 hours per class per week.** This class will fall on the upper end of time requirements and weekly demands vary due to the nature of the class, and, therefore, students will want to manage their workload by working consistently EVERY week, even though Monday deadline may be some weeks away. Cannot complete 3 week's work in 2 days. Guideline will be provided for when you should be completing pieces, and you should create your Work Plan using those Guidelines (Team Work Plan required).

Official language:

“Success in this course is based on the expectation that students will spend, for each unit of credit, a minimum of 45 hours over the length of the course (normally three hours per unit per week) for instruction, preparation/studying, or course related activities, including but not limited to internships, labs, and clinical practica. Other course structures will have equivalent workload expectations as described in the syllabus.”

### **Final Examination or Evaluation**

The Final Exam Presentations will be presented on November 27 and December 4. The Final Exam Multiple Answer Quiz will be given on Exam Day December 18 at 5:15 pm.

### **Grading Information (Required)**

ALL Assignments MUST be submitted ON-TIME at the time specified on Canvas, via correct Canvas Assignment. Only exception: Students trying to add will be given either permission to email or the Assignment will be made available for 2 days FROM THE DAY add codes are provided. Any issues with point scores are required to be brought to the Professor's attention TIMELY (not at the end of semester) according to the published **Grade Review Policy**.

### **Point Availability Breakdown (Percent is not a criteria used)**

1. 40 Points are from Individual Canvas Quizzes after Each Project (1a=12, 1b=12, 3=16)
2. 36 Points are from Individual Homework or Participation in in class and online exercises.
2. 24 Points are from Team projects.

You earn the Individual and Team Assignment points for submitting COMPLETE Assignment ON TIME To CORRECT Assignment with all requested components. To get full points for presentations, they must comply with slide and format requirements and be rehearsed.

### **Grading Based on POINTS, NOT Percent**

Grading is based on POINTS, NOT Percent. In order to receive an A+/A/A- you MUST meet these 3 criteria:

1. Have at least 50% of points in EACH Quiz
2. Be in top 50% of cumulative Quiz scores (Top 22 cumulative scores)
3. Be in top 50% of total score and/or have a total score of at least 88 Points,

The distribution of B's and Cs depends on any curve applied and peer feedback (i.e. if a student has a very low score and peer feedback is poor or he/she gets fired by team, failing or C grades more likely).

No Extra Credit is available (Exceptions may be made in extenuating circumstances). Please Review the **Grade Review Policy** in Canvas/Files. Please complete the **Syllabus/Grade Review Quiz** Homework with FULL points (multiple submissions allowed), and UPLOAD a **SIGNED Student Contract** as part of Week 2 Homework.

### **100% Audit and TurnItIn**

Points for each Module will be audited as soon as possible after the Module Quiz. If for ANY reason, and adjustment is necessary student will be notified. If student disagrees with their score,

it will be student's responsibility to follow the **Grade Review Policy** as no adjustments will be made to Module Ia after Module Ib starts or Module Ib once Module III starts. The **ONLY** adjustments necessary should be for items due **PRIOR** to add codes being given to students. And those adjustments will be made by extending the available time for those Assignments for the specific student for **TWO DAYS** after Add Code given.. Again, **ALL** assignments will be **AUDITED** for being full submissions. Points may be deducted as a result of **AUDIT**.

**NO** curve, **NO** weights and **NO** Letter Grade will be assigned for Modules or Assignments. Only Points Count. I will provide **FORCE RANKING** after Modules Ia and Ib either on Canvas or in class, and you can use the "What If" function in Canvas to see how many points you might end up with.

Grading Scale at end of Semester: A's of all kinds will consist of students who **have at least 50% score on each quiz, are top 50% of cumulative quiz score and top 50% of cumulative total score and/or 88 points. Anyone below 70 points may receive a C-/D/F. Scores in the 70s are usually Cs. All other are Bs of some flavor.**

Semester Quizzes which must be taken **IN CLASSROOM** with Lockdown Browser will consist of Canvas Multiple **ANSWER** Quizzes that mostly require picking the right or wrong answers from lists of items regarding the Projects and Concepts in the projects. Teams need to share their knowledge. Quizzes are unlikely to but may require calculations as Projects are heavy on Excel. You may be provided information to read before the quiz which may be in slightly different format than the Pasewark Template or the M&A game template and may involve extracts from 10K as well. All class material including lectures and presentations can be source of Quiz Questions. A 5 x 8 handwritten note card is allowed.

All questions are based on **ALL** material assigned and/or discussed and/or practiced and/or prepared for and/or presented in class. Presentations by **OTHER** teams are a learning opportunity so can also be a source (although company specifics will **NOT** be on quizzes). You will be allowed a one **HANDWRITTEN ONLY** page (or two sides of 5 by 8 index card) of notes for all 3 Quizzes. Sources of questions can include but are not limited to: Pasewark questions/charts, required slides in presentations, M&A Game materials etc. 1<sup>st</sup> 2 Quizzes will stay open for 24 hours after the Quiz. Final Quiz can be reviewed with the Professor via WebEx.

There are **NO** make-up Quizzes under any circumstances. If one is missed for a documented reason (Emergency Room, Hospital, Governmental Appointment, Awards Ceremony, another quiz will count on a percent of points basis of that type (i.e. more of your grade will depend on a single Quiz) or extra credit will be assigned (Awards Ceremony, Competition Finals requiring travel etc.)

Updated Grades will be available via Excel **ONLY** prior to MySJSU grades being finalized. Canvas will be shut down after the Last Quiz as it seems to confuse students at the end of the semester. No Canvas updates will be made to any Module after the last assignment for that Module. Please see **Grade Review Policy** for how to address any issues. All students have the right, within a reasonable time, to know their academic scores, to review their grade-dependent work, and to be provided with explanations for the determination of their course grades.

### **Canvas**

Canvas is used DURING the semester to let you know that your assignment arrived/was graded. However, it will be shut down after the last day of class as the remaining grading is done on Excel. You are, of course, entitled to see all your scores from the Excel. And, the force rankings of both total score and quiz scores used to calculate the letter grade prior to entering into MySJSU.

### **Classroom Protocol**

Lucas College and Graduate School of Business: Program Goals and Class room policy  
<http://www.sjsu.edu/cob/Students/policies/index.html>

### **University Policies**

Per University Policy S16-9, university-wide policy information relevant to all courses, such as academic integrity, accommodations, etc. will be available on Office of Graduate and Undergraduate Programs' [Syllabus Information web page](http://www.sjsu.edu/gup/syllabusinfo/) at <http://www.sjsu.edu/gup/syllabusinfo/>

**Mission:** We are the institution of opportunity in Silicon Valley, educating future leaders through experiential learning and character development in a global business community and by conducting research that contributes to business theory, practice and educationn

## **BUS 173B / Case Problems in Finance, Fall 2018, Course Schedule**

Course Schedule, which is posted on Canvas as 173B Fall 2018 Schedule.xls is incorporated herein by reference. All Assignments and due dates are also available on the Course Canvas in chronological order.