

Grading Information and Criteria

FINC 330 Business Finance is a three (3)-credit course. Your final grade for this course will be based upon a weighted-average of the individual grades received in five (5) graded exercises which include, (1) eight quantitative homework problem sets, (2) an individual economic research project, (3) participation in eight (8) graded asynchronous conference discussions, (4) four quizzes, and (5) a take-it-home final examination. The value, or weighting, assigned to each of these five graded exercises is as follows:

Conferences/participation (8@1.5%)	12%
Homework/problem sets (8 @ 3.5%)	28%
Research project	20%
Quizzes (4@5%)	20%
Final Exam	20%
Total	100%

1. EIGHT QUANTITATIVE HOMEWORK PROBLEM SETS --(28% of final grade, 3.5% each set)

A quantitative homework problem set will be assigned at the start of each week in MyFinanceLab, and students will have seven days to complete the assignment and submit it via MyFinanceLab.

2. FOUR QUIZZES----- (20% of final grade, 5% each set)

Quiz will be assigned in MyFinanceLab in accordance with the course schedule, and students will have seven days to complete the assignment and submit it via MyFinanceLab.

3. RESEARCH PROJECT ----- (20% of the course grade)

Students have to complete an individual or group (determined by your professor) financial research project. The Financial Research Project, as described below, will be assigned on-line on the beginning of week 1 of the course. This project is due, submitted online via LEO, not later than the date indicated in the course schedule. Your specific assignment for the project is stated in "Project Description".

This report must be 8 double-spaced typewritten pages (without tables and graphs).

The Research Report must be posted to the LEO Student Assignments as a Attachments are limited to a maximum two files in doc, docx., xls. xlsx., or rtf. formats. OTHER FORMATS ARE NOT ACCEPTABLE, will not be reviewed and graded.

If these formats are not available, use the following option:

File - Save As – in the bottom of the window for saving file you see "save as type" – choose type Rich Text Format for doc. file, and previous option of Excel for Excel file.

Pdf. files will not be accepted and graded.

All works must be Word processed. Handwritten and scanned work will not be accepted and graded.

This Written Assignment is valued at 20% of your final course grade. This report will require (1) financial data research, (2) the application of a wide range of financial theories, and (3) quantitative analysis to prepare a professionally-sound and supported recommendation. The report will be evaluated based on the following three factors:

--30%---The quality of the supporting research and references.

--60%---The analysis of the data, presented in the report. The student demonstrates understanding and application of economic concepts and formulas.

--10%---The presentation approach, professionalism, logic and persuasiveness of your recommendation

Although a bell curve may not always be achieved, nor is it necessarily desirable, it is expected that the grade of A is awarded only to those students whose work is truly exceptional, reflecting both content mastery and the ability to analyze and articulate that material. The grade of A would not be routinely expected, and the grades of B and C would be clearly denoted as appropriate to lesser degrees of content mastery as discussed above. The grade of D represents the lowest passing grade and denotes borderline content mastery and ability.

Definition of Academic Rigor

UMUC defines academic rigor as the degree to which students demonstrate content mastery, application of critical thinking skills and adherence to UMUC's code of academic integrity.

This definition implies three components to academic rigor:

1. Content mastery to include the subject matter of the course as well as mastery of those core curriculum goals established for the course (for example, information literacy, effective writing).
2. Application of critical thinking skills to include the degree to which the student can present and defend original thinking on the subject matter, including synthesis and analysis of key concepts.
3. Academic integrity to include the degree to which student demonstrates academic honesty defined in UMUC's code of academic integrity.

Students are presumed to be well versed in mathematics, accounting, and statistics. The pace of the course does not allow for the luxury of reviewing basic concepts in these disciplines during class. Consequently, students who do not possess a marked degree of competence in these disciplines may find themselves facing extraordinary challenges.

This course is taught in a manner that presumes that you have read the material and completed all problems for that date. You will get virtually nothing from the class sessions unless you are prepared. You should be aware, therefore, that this course has been judged by alumni to require extensive study and intensive analysis; it should not be undertaken casually.

Project Descriptions

FINANCIAL RESEARCH PROJECT ----- Worth 20% of the course grade.

Due date is stated in the course schedule.

The students have to complete an individual or group (determined by your professor) financial research project.

The purpose of this assignment is to test the students' ability to research, analyze and present financial information. The students will be required to research key financial data, analyze the information, apply the appropriate financial concepts and formulas and prepare a credible management level financial report.

THE PROJECT IS DESIGNED TO BE COMPLETED INDIVIDUALLY (OR A GROUP) AS ASSIGNED BY YOUR PROFESSOR) BY THE STUDENT.

OBJECTIVE

The specific objective of this graded written research exercise is to prepare an "executive level financial report" to the Chief Financial Officer (CFO) of a mythical company in which you are employed as a financial analyst. This report will pertain to the financial evaluation of a real, publicly-traded, company. It will require independent research (web-based or library), careful financial analysis, and the proper application of key financial theories and formulas.

The company that is to be analyzed for this project is (company selected by instructor). The list of the assigned companies is posted in the conference area titled "The list of the assigned companies for the project". Alternatively, you can request me to approve another publicly traded company. This request must be submitted before the end of the first week of the course. The request must include:

- a. identification of the company by ticker symbol and name
- b. a reasonable and appropriate explanation of why you want to examine the alternative company
- c. the source of the analyst's report that will be used in the analysis (which must be submitted to me)
- d. acknowledgement by you that all of the specific elements of the assignment (see below) will be prepared by you and included in the final research project report

SITUATION

You are a financial analyst with the mythical High Technology Corporation ("HTC"). HTC is an established manufacturer of a line of electronic components, which services an international market. HTC is currently a new fully-integrated wireless communication service for world-wide use. A competitive technical and economic product evaluation has determined that THE COMPANY THAT IS TO BE ANALYZED FOR THIS PROJECT (COMPANY SELECTED BY INSTRUCTOR) (a real publicly-traded company) is the best potential candidate for a long-term commitment. THE COMPANY (COMPANY SELECTED BY INSTRUCTOR) is offering a competitively favorable deal. However, based on some serious general concerns about the fallout of companies in the industry in general, the CEO has asked your CFO to conduct a financial analysis of THE COMPANY (COMPANY SELECTED BY INSTRUCTOR) to determine if it is prudent to commit to this company's communication system. The cost of cutting over to the new communications system is significant and any interruption in support during the next few years would adversely affect HTC's performance and profit. Specifically, the question is: will THE COMPANY be financially viable over the next two to three years?

YOUR SPECIFIC ASSIGNMENT

Your specific assignment is to research, analyze, and prepare a report for the CFO on the actual financial performance of THE COMPANY THAT IS TO BE ANALYZED FOR THIS PROJECT (COMPANY SELECTED BY INSTRUCTOR) for the last three years. In addition to reviewing the traditional financial performance indicators, you are also to review THE COMPANY'S past and current stock performance for the last one year. Your report is to consist of three parts:

- (1) An evaluation of THE COMPANY'S financial performance for the last three years.
- (2) An evaluation of THE COMPANY'S stock performance for the last one year.
- (3) Finally, a specific recommendation, with supporting rationale, as to whether or not THE COMPANY'S recent trend in financial and stock performance is of sufficient financial strength to warrant entering into a long-term commitment.

To assist you in your task, the CFO has provided the following general guidance. Since it is recognized that the industry is undergoing a major contraction, it is very important to comparatively evaluate THE COMPANY'S financial and stock performance trends against its Industry.

You may wish to include all necessary and relevant financial performance and stock information, trends, and projections in supporting your recommendation. These factors may include, financial ratio trends and industry comparatives, capital spending, stock growth, Beta values, credit rating service valuations, bond rating valuations, and management and investment reports - when these documents are available.

REPORT REQUIREMENTS

YOUR SPECIFIC ASSIGNMENT

Research and analyze the following information for THE COMPANY (SELECTED BY INSTRUCTOR).

- Annual Balance Sheets for THE COMPANY for the last three years.
- The Income Statements for THE COMPANY the last three years.
- Annual reports, 10K or 10Q-----
- Industry norms -----
- Analysts' reports on performance
- Management reports or press releases

Using this information the students have to develop evaluation of the financial performance for THE COMPANY (SELECTED BY INSTRUCTOR). (Totally 85% of the assignment grade)

1. Background and Industry (one short paragraph).
2. Select of most significant financial performance results for the company: Compare Revenue, net income, working capital, total assets for the last three years and other results of your choice of the company against the industry or main competitor. Present the table with this information in your report. Write about 1 page of the analysis of these financial performance results. (15% of the project grade)
3. Find financial ratios for the company and its major competitor in the Internet. Write about 1-2 pages of analysis of the ratio results you received. (15% of the project grade). Compare the ratio results against the industry or main competitor.
4. Evaluate Return on Equity for the company for the last three years using the DuPont analysis. (10% of the project grade). Compare the company's results to a major competitor.
5. Taking the information from the Income statements and the Balance sheets, calculate the company's return on equity using the DuPont technique for the company for three years. Follow the formulas on pages 437-438 of the textbook. Show your calculation!
6. Write about 1 page of analysis of the results that you received. Compare the results to main competitor. If the management of the company would like to improve their return on equity, what should the management of these companies do?
7. Evaluate other areas of financial analysis: capital spending, stock growth, Beta values, credit rating service valuations (if possible), bond rating valuations (if possible), etc. Make an overall conclusion about financial performance of the company during the last years. Compare the results that you received against the industry or main competitor. Summarize the results that you received in 1 pages. What are the firm's financial strengths and weaknesses? (10% of the project grade)
 - a. Collect and evaluate the data about stock performance of the assigned company's for the last one year. Compare the results that you received against the industry or main competitor.
8. Write about 1 page of analysis of the ratio results you received. (20% of the project grade).
9. Develop a specific recommendation, with supporting rationale, as to whether or not the assigned company's recent trend in financial and stock performance is of sufficient financial strength to warrant entering into a long-term commitment. (about 1 page) (15% of the project grade)

PRESENTATION OF PAPER AND WRITING (15% of the project grade):

-Organization, Format and Presentation of Paper including the Title page, Introduction, Body, and Summary (4% of the project grade)

Use of Tables, Figures and Other Graphics to Summarize and Support Analysis Presented in the Paper (3% of the project grade)

Logical and Smooth Flowing Transitions and Relationships Among Sections of the Written Report (3% of the project grade)

Research Sources and Significance of Research Information and Data, Use of APA Citation Methodology (5% of the project grade)

Your final report is to be an executive-level financial report, directed to the CFO. This report must be about 5-6 double-spaced typewritten pages (without tables and graphs). Include suitable comparative, quantitative and qualitative analyses and conclude with a specific and supported recommendation on the projected financial viability of THE COMPANY THAT IS TO BE ANALYZED FOR THIS PROJECT (COMPANY SELECTED BY INSTRUCTOR) for the next several years.

Essential research data, financial calculations and other documentation as necessary to support your recommendation should be referred to in summary form in your report and attached in detail as enclosures. All major sources should be referenced. There is no set limit to the size of the enclosures, but it is recommended that

only essential enclosures be attached. You should use references and bibliography to identify any remaining supporting documents you wish to include.

The Individual Research Report must be posted to the LEO Student Assignments as a Attachments are limited to a maximum two files in doc, docx., xls. xlsx., or rtf. formats. OTHER FORMATS ARE NOT ACCEPTABLE, will not be reviewed and graded.

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All works must be Word processed. Handwritten and scanned work will not be accepted and graded.

This report is an individual effort and must be researched, developed and prepared by you. All questions related to this assignment, should be referred to the mythical CFO (i.e., your instructor).

Evaluation Rubric

An evaluation rubric is available for the research project. The evaluation rubric outlines the specific requirements and elements of the project. It is suggested that the rubric be used as a guideline for the content, preparation, and completion of the project.

The rubric will be used for the evaluation and grading of the final research project.

1. Financial statements analysis of the assigned company	Virtually no effort to develop financial statements analysis of the assigned company; not worthy of credit.	Only a superficial effort to develop financial statements analysis of the assigned company	The project contains some financial statements analysis of the assigned company, but should be considerably more developed	Good effort is made to develop financial statements analysis of the assigned company	Excellent and very thorough development and articulation of financial statements analysis of the assigned company
2. Financial ratio trend analysis of the assigned company and industry comparatives.	Virtually no effort to develop financial ratio trends analysis of the assigned company and industry comparatives; not worthy of credit	Minimal effort to develop financial ratio trends analysis of the assigned company and industry comparatives.	Some effort made to develop financial ratio trends analysis of the assigned company and industry comparatives, however the result are not explained and analyzed.	Good effort to develop financial ratio trends analysis of the assigned company and industry comparatives, the result are well explained and analyzed	Excellent and successful effort to implement financial ratio trends analysis of the assigned company and industry comparatives; very clear linkages between financial ratio results and investment decisions and recommendations;