FIN 3717 - Fall 2001
Advanced Business Finance
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OFFICE HOURS 10:30 a.m. -12:00 TH
3:00 p.m. -4:30 TTH and by appointment

DESCRIPTION Advanced Business Finance is an extension and enhancement of FIN 3715. Topics from FIN 3715 are covered in greater depth and additional topics are examined. Course material is examined through the case method. There are two types of cases used in this course, one short and the other long. The first, found in your casebook, are oriented to general classroom discussion and are assigned for individual work. The second are longer and more difficult requiring careful identification of the problem and selection of the best alternative solution. These cases will be assigned for group completion.

TEXTS Kester, Fruhan, et al., Case Problems in Finance, 11th edition. For reference, any basic text in financial management.

GRADING 25% Group Case Assignment
5% Short Cases/Homework (collected on random basis) and quizzes
40% Midterm Exams
20% Final Exam
10% Team Evaluations
5% Bonus - Class Participation

COURSE OUTLINE
Week ’of
August 26 Financial Analysis, Planning and Control
September 2 Financial Analysis
September 9 Case Assignment
September 16 Financial Forecasting
September 23 Case Assignment
September 30 MIDTERM CASE
October 7-21 Capital Budgeting
October 28 Case Assignment
November 4 MIDTERM EXAM
November 11 Cost of Capital
November 18 Case Assignment
November 25 Valuation
December 2 Review
December 9 FINAL EXAM

Finance 3717
Advanced Business Finance Fall2001
Week of August 26

1. Introduction - Financial Ratios as Tools of Analysis
2. Mansfield Manufacturing
3. Case of Unidentified Industries
September 2 Felton Company
September 9 * Case Assignment (Tire City, Inc.)
September 16 Forecasting financial requirements using % of sales method
Lawn Master Mowers, Inc.
Hampton Machine Tool, p. 103
September 23 * Case Assignment (Toy World Inc., p. 89)
September 30 MIDTERM CASE
October 7 Capital Budgeting Review Problems
October 14-21 Economy Shipping, p. 455
The Super Project, p. 439
October 28 * Case Assignment (Pressco, Inc. p. 459)
November 4 MIDTERM EXAMINATION
November 11 Cost of Capital & Continental Carriers, p. 145
November 18 * Case Assignment (Eskimo Pie Corporation, p. 629)
November 25 Cooper Industries, Inc., p. 601
December 2 John M. Case Co., p. 705
December 9 FINAL EXAM

* Indicates a written group assignment. The specific case, the members of each group, and the presenting teams will be identified one week before each case is due.
Objectives of the course:
The vast majority of those who enroll in FIN 3717 are business majors. Thus, the basic purpose of the course must be to assist in preparing the student for intelligent, responsible and effective business management. As the title suggests, the subject matter of the course, and thus the context within which this purpose must be achieved, is concerned with the management of financial resources, or capital.

It is assumed that the student begins this course with, at the least, a basic knowledge of the concepts, theories, and techniques of financial management. From the standpoint of the student's development beyond this basic knowledge, the objectives sought within this course are:

To employ and develop analytical and judgmental abilities so that both the problems and the variables relevant to financial management can be identified and evaluated. To employ and develop the skills and techniques needed to manipulate those relevant variables for analytical and decision-making purposes. To develop the ability to arrive at a decision that is both analytically and judgmentally sound.

To expand, within this process, the student's understanding of and appreciation for the concepts and theories of financial management, and their relevance to practice. In the course these objectives are sought through case analysis, written reports, critical discussions, and occasional readings. Cases permit the student to test and practice analytical and judgmental skills and ability, and to evaluate them and theory in the context of practice. Discussions and reports enable the student to toughen and expand his own abilities through interaction with and from the evaluation of others. Occasional readings expand the student's
acquaintance with both generally ac-cepted and currently controversial theories and practices of
financial management. In all areas emphasis is placed upon developing the student's ability to
make and defend his own evaluations and decisions with regard to both theory and practice.
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FINANCE 3717
Instructions for Preparing and Writing Case Assignments
Several times during the semest-er, the class will be divided randomly into groups of five or six
to prepare and present cases. Two teams will be designated as presenting teams for each case.
All students are to participate in class discussions.
For most cases there is no one correct solution. The problem is finding an acceptable, logical
solution consistent with whatever assumptions are made by the team and with the conditions
existing in the case. For some cases the discussion may center on the factors relevant to reaching a solution rather than on the mechanical application of a technique. Other cases may
be more straightforward.
Typewritten reports are required (no exceptions) for each case by each team and are due at the
of the class meeting in which the case is discussed. The presenting team must present the
instructor with a copy of their report at the beginning of the questioning by the rest of the class. Visual displays and handouts are encouraged. Each presenting team will designate a
leader to guide the presentation, and each member of the team must have some part in the oral
presentation. Presentations will be graded as " Satisfactory " or " Unsatisfactory ," and written
reports will be graded as A, A-, B+,...,F.
"Peer ratings" are also required. Each group is required to rank the other members of his
group. No ties are allowed and you must exclude yourself from the ranking. You must also
put your name on the rankings. These rankings are to be based on contribution to the
group, not personality, and are due at the beginning of class.

I. Preparation of Cases

A. Read the case carefully several times and analyze thoroughly all statistical data
presented. All members should do this before the group meets.

B. Make a decision as to what is the major problem(s) in the case. (Sometimes the
questions provided on the case are not directed at the major problem.)

C. With the problem in mind, think and search for alternative courses of action that
would be feasible. Research is necessary at this stage. Consult general texts
and specific references pertinent to the problem. If business conditions at the
date of the case would affect the solution, find the appropriate facts.

D. Analyze and evaluate the material, considering both the strong and weak points.

E. Decide what your specific recommendation is to be.

F. Develop your plan for presenting the case in written form.

II. In organizing your written report, divide it into five parts presented in a semi-outline
form.

A. Summary of facts: After an introductory paragraph, present a brief summary of
the important facts. Omit non-essential facts that do not affect the solution.

B. Problem: State the primary and secondary problems concisely. Add questions
to those stated in the case if you think they are appropriate.

C. Analysis: Present your analysis in paragraph form with complete sentences.
Follow good practice in the use of footnotes, spacing, indentations, and other
techniques that invite attention to important points and make your report easy to
read. The makeup or form of your report is very important.

Avoid generalities. Express your ideas clearly. Support your ideas adequately
by explanation, evidence, and footnote references. Be sure to include any data
and information that are helpful in solving the problems. If any assumptions are
made, they must be explained and justified.

Any given problem will have numerous solutions, and the team should come up
with as many reasonable alternatives as they can. Imagination plays an
important part in this section. Strengths and weaknesses of alternative courses
of action should be developed, but the analysis should build to support your
recommendation.

D. Recommendation: This section should be brief and positive. Each of the problems stated in Section B must be addressed.

E. No more than five pages of text should be used for the preceding. Tables, charts, and any other supporting materials may be attached as Exhibits; ~ Exhibit included should be referred to in the text.

Reports should be double space, stapled at the top left, and editorially correct.

Do not enclose the reports in a folder.