

Faculty: **Ramiro J. Atristain**

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Hours and Location: 6:30-9:30 p.m., Wednesdays. O'Hare Campus: Room TBD

Credit: 2 to 4 hours (2 hours per competency with a maximum of 4 hours)

Competencies Offered: F-X, H-2-X, H-1-C, H-5

F-X: Understands the use of basic financial theory and terms in business settings.

H-2-X: Can employ techniques of forecasting to project trends and anticipate the future (financial outcomes).

H-1-C: Can compare two or more societies with respect to their economic structures.

H-5: Can analyze issues and problems from a global perspective.

Description of Course:

This course introduces the student to the principles of financial theory and the world of finance. The course covers several concepts and surveys the roles of relevant institutions. In the conceptual part, students will learn about financial instruments and techniques used in financial decision making (time value of money, cost of capital, capital structure). In the survey of relevant institutions' roles, the students will form a basis for understanding causes and effects in the changing global environment. The interrelationships between decisions of business, financial institutions and individuals will become evident, enabling the student to better understand current events in finance.

Expected Outcomes: Upon successful completion of this course, students will:

- Use basic concepts and principles of finance
- Understand how the elements of finance are used by businesses and government institutions
- Be able to "read" an annual report
- Be able to practice budgetary disciplines
- Form strategies for investments and financial planning

Evaluation and Criteria for Assessment: All students will be evaluated with the following three criteria:

1. One Project: Students (individually or in a group) will invest a hypothetical amount according to their own requirements and preferences for risk. The student/group will write and present a two-phase page Investment Report including an investment plan, objectives, rationale and conclusions for decisions, financial overview, etc. (per the Class Project handout).
2. Two Tests: Students will complete two on-line-home-tests and brief essay questions to hand-in tailored to competency(ies) chosen.
3. Participation: Students will contribute and be graded on class discussion. Attendance is very important.

Note: All DePaul Policies apply (see Addendum). All assessments and feedback to the student will embody the qualities of clarity, integrity, flexibility and empathy.

Required textbook, handouts and recommended outside material:

Brigham, Eugene F.; Houston, Joel F.; *Fundamentals of Financial Management (Concise Sixth Edition)*; The Dryden Press, Harcourt Brace College Publishers, 2009.

Book can be rented at: <http://www.chegg.com/details/fundamentals-of-financial-management-concise-edition-with-thomson-one-business-school-edition/0324319835/>

Handouts: cases and articles (will be provided in class).

Recommended reading: Financial Times, The Economist, Wall Street Journal and Global Finance.

Financial calculator recommended (not required): HP 10B or similar.

## USING FINANCIAL INFORMATION

DePaul University – School of New Learning

Faculty: Ramiro J. Atristaín, Winter Quarter 2009; Wednesdays 6:30-9:30 p.m.; O'Hare Campus: Room TBD

www.atristain.com

Winter Quarter-2010

### Topics and Time Frames: (updated 11/1/2009)

| <u>Date</u> | <u>Topic</u>   | <u>Assignments and suggested problems</u>   |
|-------------|--|---|
| I           | Introduction to course and projects.<br>Overview of Financial Management.<br>Financial Markets and Institutions. | Chapters: 1, 5.<br>Investment Report project assigned.<br>ST-1; questions: 1-2, 1-10, 1-13, 1-16.<br>Handouts.      |
| II          | Financial Markets and Institutions cont.<br>Interest Rates.  | Chapter: cont. 5. ST-1; questions: 5-4, 5-5, 5-6, 5-9. Case 5-1-j.<br>Ch.: 6, ST-2, question 6-9, problems 6-1, 6-2 |
| III         | Financial Statements, cash flow and taxes.<br>Analysis of Financial Statements.                                  | Chapters: 3; ST-1, ST-2; questions 3-1, 3-3, 3-6; problem 3-1. Ch. 4: ST-3; questions 4-1                           |
| IV          | Time value of money.   | Chapter: 2; ST-2; questions 2-4 ,2-8. Cont. chapter 6; ST-2.<br>Review of Investment Report project.                |
| V           | Bonds.<br>Risk and rates of return.  | Class Assessment. Chapter: 7; ST-2; question 7-6. Ch. 8: ST-2; question 8-1. THT 1 due.                             |
| VI          | Stocks.<br>Cost of capital.  | Chapters: 9; ST-2. Ch.: 10; ST-2; questions 10-3. FIRST PART OF INVESTMENT REPORT DUE (project progress report)     |
| VII         | Capital budgeting*.<br>Cash flow estimation and risk analysis.   | Chapters: (11); ST-2. Ch. 12: ST-2; question 12-10. Ch. 13: ST-2; question 13-4, 13-11.                             |
| VIII        | Capital structure and leverage.<br>Distributions to shareholders, i.e. dividends.                                | Chapters: cont. 13. Ch. 14: ST-2; questions 14-1, 14-3. Ch. 15: ST-2; questions 15-2,15-5.                          |
| IX          | Working Capital management.<br>Financial planning and forecasting.<br>Multinational financial management.        | Chapters: 16; ST-2.. Ch. 17: ST-2; questions 17-1, 17-4.<br>THT 2 due.  |
| X           | Class Project presentations and critique.  | SECOND PART OF INVESTMENT REPORT DUE. Class evaluations   |

Note: \*Will cover this chapter depending on time. Any student taking this class on a PASS/FAIL basis, must notify the instructor by the second week of class. Any student taking this class for 'graduate work' will get a letter grade. Refer to Administrative Matters Addendum attached and/or <http://studentaffairs.depaul.edu/homehandbook.html>. THT – Take-Home-Test

Faculty Biographical Sketch: Mr. Atristaín--a finance professional who has extensive experience in investment management, financial and risk analysis--is Vice President of Risk Management at Harris Bank/BMO Financial Group. At Harris he has also served as Vice President of Corporate Finance. Prior to Harris he was a Senior Vice President of Asset Management at Capri Capital and a Financial Analyst for the Dai-Ichi Kangyo Bank (now Mizuho). He has taught at Dominican University--Brennan School of Business. Currently, serves in the Editorial Board of The Business Journal of Hispanic Research, has lectured at Universidad de Alicante, in Spain and is Visiting Faculty at DePaul University. He holds an MBA with specialization in Finance from the Illinois Institute of Technology and a BA degree in Economics from Dominican University. He completed the Visitors Program at Universidad Internacional Menéndez Pelayo in Spain and the Certificate of Director Education with the NACD Corporate Directors Institute. He serves in various boards of civic organizations, i.e. the Investment Committee of NSHMBA Foundation, Board of NSHMBA, Treasurer of the CLESF Foundation. He is a member of the Global Association of Risk Professionals.

### ADDEMDUM

This class and all assessments and feedback to the student will embody the qualities of clarity, integrity, flexibility and empathy (all University's guidelines on academic integrity apply).

### **Evaluation and Criteria for Assessment:**

All students will be evaluated following three criteria and respective evidence to be submitted, as spelled out in the Syllabus, i.e. One Project, Two Tests:, and Participation.. There may be cases where the student must submit evidence of work for each competence since a student in the course can take different combinations of competencies up to a maximum of two.

All work--the Project, the two Tests and written work--once evaluated will be graded as follows:

A= work of high quality; reflects thorough and comprehensive understanding of the issues at hand; reflects a clearly identifiable thesis and argument that demonstrates cogent and creative development and support of idea(s).

B= work of good quality; reflects clearly organized and comprehensive understanding of issues at hand; presents substantive thesis and argument with evident development and support of ideas.

C= work that minimally meets requirements set forward in assignment; reflects some organization and development of ideas but develops argument in superficial or simplistic manner; may only address part of the assignment or be otherwise incomplete.

D= work of poor quality that does not meet minimum requirements set forth in the assignment; demonstrates poor organization of ideas and/or inattention to development of ideas, grammar, and spelling; treatment of material is superficial and/or simplistic; may indicate that student has not done reading assignments thoroughly.

Any student taking this class on a PASS/FAIL basis, must notify the instructor by the second week of class. Once a student commits to taking a course Pass/Fail, the student cannot switch back to a letter grade.

Unfinished work or work requiring revision will be given an Incomplete (IN) grade. In order to qualify for the IN, students must have regularly attended class, and must have completed two thirds of assignments and have a signed copy of the Incomplete Contract form. Work not submitted by the due date must be submitted within 2 weeks, and will be assessed on a P/F basis only. If a student does not submit materials on time either during the body of the course, or afterward, the professor is under no obligation to give Incomplete grades.

Any student taking this class for 'graduate work' will get a letter grade.

### Policies

All DePaul policies will be adhered to, such as the following:

#### **DePaul University Academic Integrity Policy**

DePaul University is a learning community that fosters the pursuit of knowledge and the transmission of ideas within a context that emphasizes a sense of responsibility for oneself, for others and for society at large. Violations of academic integrity, in any of their forms, are, therefore, detrimental to the values of DePaul, to the students' own development as responsible members of society, and to the pursuit of knowledge and the transmission of ideas. Violations include but are not limited to the following categories: cheating; plagiarism; fabrication; falsification or sabotage of research data; destruction or misuse of the university's academic resources; alteration or falsification of academic records; and academic misconduct. Conduct that is punishable under the Academic Integrity Policy could result in additional disciplinary actions by other university officials and possible civil or criminal prosecution. Please refer to your Student Handbook or visit <http://studentaffairs.depaul.edu/homehandbook.html> for further details.

#### **DePaul University Registration Policy**

All students must be registered and listed on the class roster by the beginning of the second week of the term. Students not on the roster by this time cannot stay in the class under any circumstances. Please contact the

SNL Advising Center (snladvising@depaul.edu) or the Office of Financial Aid (finaid@depaul.edu) to work out your particular situation.

Students who need to withdraw from the course must do so by the end of the second week of the quarter. After that point is reached, 100% tuition is charged. It is possible to withdraw from a course or competence through the end of the seventh week of the quarter, but there is no tuition refund after the end of the second week.

In certain circumstances (such as illness, death of family members, natural disasters, etc.), a late withdrawal will be refunded tuition. These circumstances must be documented, and presented to the University through the SNL Exceptions Committee (snlexceptions@depaul.edu). In no case is such a refund allowed more than once during a student's career at DePaul.

### **DePaul University Incomplete Policy**

Undergraduate and graduate students have two quarters to complete an incomplete. At the end of the second quarter (excluding summer) following the term in which the incomplete grade was assigned, remaining incompletes will automatically convert to "F" grades. In the case of the Law School incompletes must be completed by the end of the semester following the one in which the incomplete was assigned. Ordinarily no incomplete grade may be completed after the grace period has expired. Instructors may not change incomplete grades after the end of the grace period without the permission of a college-based Exceptions Committee. This policy applies to undergraduate, graduate and professional programs. NOTE: In the case of a student who has applied for graduation and who has been approved for an Incomplete in his or her final term, the incomplete must be resolved within the four week grace period before final degree certification.

NOTE: The SNL student who wishes to receive the grade of IN must formally request, in writing, that the instructor issue this grade. This request must be made before the end of the quarter in which the student is enrolled in a course and a formal contract must be signed by both parties (see IN form on SNL website, forms page).

### **DePaul Policy on Plagiarism**

Per what is defined in the Student Handbook, "Plagiarism includes but is not limited to the following: (a) The direct copying of any source, such as written and verbal material, computer files, audio disks, video programs or musical scores, whether published or unpublished, in whole or in part, without proper acknowledgement that it is someone else's. (b) Copying of any source in whole or in part with only minor changes in wording or syntax even with acknowledgement. (c) Submitting as one's own work a report, examination paper, computer file, lab report or other assignment which has been prepared by someone else. This includes research papers purchased from any other person or agency. (d) The paraphrasing of another's work or ideas without proper acknowledgement. Plagiarism will result in a failure of the assignment or possibly of the course. If you are unsure of how to cite a source, ask!

### **Special Needs**

Students who feel they may need an accommodation based on the impact of a disability should contact the instructor privately to discuss their specific needs. All discussions will remain confidential. Students with chronic illnesses should contact the Chronic Illness Initiative to discuss their options and, of course, should also consult the instructor.

To ensure that you receive the most appropriate accommodation based on your needs, contact the instructor as early as possible in the quarter, preferably within the first week of class, and make sure you have contacted:

- The SNL Chronic Illness Initiative at <http://snl.depaul.edu/current/chronic.asp>
- PLuS Program (for LD, AD/HD) at 773-325-4239 in the Schmidt Academic Center, room 220 or;
- The Office for Students with Disabilities (for all other disabilities) at 773-325-7290, DePaul University Student Center, room 307.