

Course Syllabus Spring 2025 - FINANCIAL MANAGEMENT

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Instructor Information

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Office hours: by request (zoom or phone call).

Please use your school email for all communications.

Course Mission and Purpose

The mission of this course is to offer a comprehensive and practical understanding of financial management principles. My aim is to present these concepts in a clear, concise, and structured manner. By doing so, I hope to provide you with opportunities to explore how mastering financial management can enrich both your personal and professional lives.

Course Description

This course designed to equip you with the foundational principles of sound financial decision-making. This course goes beyond theoretical understanding to focus on actionable insights and real-world applications. You will gain essential skills such as budgeting, forecasting, capital allocation, and risk assessment, all aimed at enhancing your ability to make well-informed financial decisions.

The curriculum encompasses a range of topics, including cash flow analysis, budget planning, investment strategies, and risk management. Utilizing various analytical tools and financial models, the course aims to help you optimize decision-making, whether you are managing personal finances or steering a corporate strategy.

Through case studies, group projects, and individual assignments, you will apply your learning in practical contexts. This course serves as a valuable stepping stone for anyone interested in financial analysis, management roles, or simply making more informed financial decisions in daily life.

Required Textbook and Tools

1. **Textbook:**

- *Corporate Finance: Core Principles and Applications* by Ross, Westerfield, Jaffe, and Jordan, 7th Edition (or 6th Edition, as the content is nearly identical).
- ISBN10: 1264413114 | ISBN13: 9781264413119.

- Available in print or as an [eBookLinks to an external site.](#) (recommended for searchability) through McGraw Hill or other online retailers ([AmazonLinks to an external site.](#)).

2. AI Subscription:

- A subscription to a leading AI model is required for bi-weekly discussions. Choose one of the following (\$20/month for four months):
 - OpenAI's ChatGPT+ - strongly recommended as their 'o1' model is the 'smartest' available today for the tasks you'll be doing.
 - Anthropic's Claude 3.5 Sonnet
 - Google's Gemini 2.0.

Recommended Resources (Optional)

1. The Wall Street Journal (WSJ):

- Highly recommended for staying current with financial news. Rutgers students can access it for free through the [WSJ student subscription page](#). Course references may include WSJ content.

2. The Economist:

- Offers in-depth global economic analysis. Discounted student subscriptions are available on their [special rate subscription page](#).

3. The Financial Times (FT):

- A great resource for financial insights. Visit the [FT Education page](#) for information on student subscription options.

Course Goals and Objectives

The Finance Area at the School of Business-Camden has established the following Learning Goals and Objectives for Finance 506.

Learning Goal #1: Proficiency with Financial Statements

- Understand, evaluate, and connect the balance sheet, income statement, and statement of cash flows.
- Assess a firm's past performance and future prospects using financial ratios and Dupont decompositions.
- Create a sales-driven forecast to analyze a firm's future funding needs based on growth.
- Relevant Reading: RWJJ, Chapters 2 and 3

Learning Goal #2: Proficiency with Time Value of Money Calculations

- Utilize present and future value techniques to value individual cash flows, annuities, perpetuities, and uneven cash flow streams.

- Apply discounted cash flow methods to fundamental financial decisions.
- Relevant Reading: RWJJ, Chapter 4

Learning Goal #3: Mastery of Key Stock and Bond Concepts

- Understand the features, rights, risks, and cash flows associated with stocks, bonds, and preferred stock.
- Use discounted cash flow methods for the valuation of stocks, bonds, and preferred stock.
- Quantify the impact of changes in yield and time to maturity on bond prices.
- Understand the influence of dividend growth and required return on stock prices.
- Relevant Reading: RWJJ, Chapters 5 & 6

Learning Goal #4: Proficiency in Applying Capital Budgeting Techniques

- Forecast relevant cash flows for proposed capital projects.
- Use net present value (NPV), internal rate of return (IRR), and payback criteria to evaluate capital investments.
- Evaluate the pros and cons of using NPV, IRR, and Payback methods.
- Assess proposals for capital expansion, cost reduction, and equipment replacement.
- Estimate the weighted average cost of capital (WACC) and its appropriateness as a risk-adjusted discount rate.
- Relevant Reading: RWJJ Chapters 7, 8, and 12

Learning Goal #5: Mastery of Key Concepts for Analyzing Risk and Return

- Interpret expected return, standard deviation, risk aversion, and risk premiums.
- Understand correlation, diversifiable risk, nondiversifiable risk, firm-specific risk, market risk, beta, and portfolio risk.
- Calculate the expected return and standard deviation of a two-asset portfolio.
- Use the security market line (SML) to determine required returns for assets and portfolios.
- Relevant Reading: RWJJ Chapters 10 and 11

Learning Goal #6: Adeptness with Capital Structure and Dividend Policy Issues

- Understand business risk, financial risk, and shareholder risk.
- Assess the impact of debt on firm value considering taxes and bankruptcy.
- Explain the influence of a firm's dividend policy on its value.
- Relevant Reading: RWJJ Chapters 14, 15 & 16

Summary

In summary, the primary aim of this course is to equip students with a robust understanding of fundamental financial principles. The outlined goals and objectives are tailored to fulfill this purpose. Regardless of your area of interest within finance—be it corporate, investments, or financial institutions—the principles taught in this course are universally applicable.

The course is thoughtfully designed to offer the essential background needed for making informed financial decisions in real-world organizational and market contexts. It balances both theoretical knowledge and practical applications. Given the asynchronous format of the course, self-motivation is crucial for keeping up with suggested assignments. There is a lot to cover, so it's

advisable to integrate the course schedule into your personal calendar. While I am here to assist you, be prepared to put in a considerable amount of independent work.

Assessment and Grading

Grading Breakdown:

- Quizzes: 65%
- Knowledge Checks: 5%
- Discussions: 15%
- Final Exam: 15%

Total: 100%

Final Grade Ranges:

A Highest grade (90% and above)

B+ Work of distinction (84.5% to 89.4%)

B Work of distinction (79.5% to 84.4%)

C+ Average work (74.5% to 79.4%)

C Average work (69.5% to 74.4%)

D Passing, but unsatisfactory (60% to 69.4%)

F Failure without credit (Below 60)

Assessment Guidelines:

Weekly Schedule:

All weekly assignments become accessible on Tuesday, the first day of each weekly module.

- **Knowledge Checks:** These are due by 11:59 pm on Friday and serve as low-stakes opportunities to prepare for the main quizzes. Completing them first is a requirement.
- **Bi-Weekly Discussions:** Your initial posts are due bi-weekly by 11:59 pm on Friday of the second week, and you are required to make at least two responses to your peers, which are due by midnight on the following Monday.
- **Main Quizzes:** These are due by midnight on the following Monday, marking the end of each weekly module.

Preparation:

Knowledge Checks and main quizzes have an identical structure and similar questions. The best way to prepare for them is to complete the End-of-Chapter exercises provided. Solutions to these exercises can be found in each module's corresponding section.

By adhering to these guidelines and deadlines, you'll be well-equipped to succeed in the course.

CLASSROOM POLICIES

Exam, Quizzes, Discussions Make-up Policy

Make-up Work Policy: If, for a university-approved reason, you cannot complete a quiz, assignment, or exam during the scheduled time, you must give me written notice via email (andnikif@camden.rutgers.edu) at least one week in advance so that other arrangements can be made. If the situation does not allow for advance notification (e.g., emergency hospitalization), contact me as soon as possible after the missed work and provide written documentation. The ability to make up work for non-university approved reasons is not guaranteed. The professor reserves the right to request written documentation to support your absence (such as a doctor's note, an obituary, or military orders).

Late Work Policy: All work must be completed and uploaded to Canvas by the specified due date (with the exception of a university-approved, documented, and professor or Dean of Students verified reason; see Make-up Work Policy above). Any work submitted after the due date and time will receive a reduction of one full letter grade for each day that it is late.

Incompletes: "Incompletes" will only be given through prior consultation, under extreme circumstances, and when completion of the course requirements in question would substantially improve your grade. In the rare event when an "incomplete" is given, you must submit all of the agreed-upon work to me by the Rutgers registrar deadline to avoid the

AI Usage Policy

AI tools are an important part of this course and are expected to be used responsibly. Please follow these guidelines:

When You Can Use AI

1. Bi-Weekly Discussions:

- You are encouraged to use AI to assist with your financial analyses, coding, and visualizations for bi-weekly discussions.
- In your submission, clearly state which AI tool or model you used (e.g., ChatGPT-4o, Gemini 2.0 Flash, Claude 3.5 Sonnet, etc.).

2. Learning Course Materials:

- Use AI to help understand course content, clarify concepts, and review material.

3. Post-Quiz Review:

- After quizzes or knowledge checks, you may use AI to explain questions or concepts you got wrong.

When You Cannot Use AI

1. Pre-Knowledge Checks and Quizzes:

- AI is not allowed for answering questions or providing solutions during pre-knowledge checks or quizzes.

2. Misrepresentation:

- All work must be your own. Do not directly copy AI-generated content without thoughtful editing and integration.

Key Requirement:

Always state which specific AI tool you used for any work submitted in bi-weekly discussions. Failure to do so may result in point deductions. If you have questions about what's allowed, ask the instructor for clarification.

Disability Services/Accommodations

The University is committed to supporting the learning of all students and faculty will provide accommodations as indicated in a Letter of Accommodation issued by the Office of Disability Services (ODS). If you have already registered with ODS and have your letter of accommodations, please share this with me early in the course. If you have or think you have a disability (learning, sensory, physical, chronic health, mental health or attentional), please contact <https://success.camden.rutgers.edu/disability-services> [Links to an external site.](#) .

Accommodations will be provided only for students with a letter of accommodation from ODS. Their services are free and confidential. Letters only provide information about the accommodation, not about the disability or diagnosis.

Academic Integrity

The Academic Integrity policy can be found at
<https://studentconduct.rutgers.edu/processes/university-code-student-conduct>
<http://studentconduct.rutgers.edu/student-conduct-processes/academic-integrity/>

Students are responsible for understanding the principles of academic integrity and abiding by them in all aspects of their work at the University. Students are also encouraged to help educate fellow students about academic integrity and to bring all alleged violations of academic integrity they encounter to the attention of the appropriate authorities.

Academic Integrity means that you (the student) must:

- properly acknowledge and cite all use of the ideas, results, or words of others,
- properly acknowledge all contributors to a given piece of work,
- make sure that all work submitted as your own in a course activity is your own and not from someone else

- obtain all data or results by ethical means and report them accurately
- treat all other students fairly with no encouragement of academic dishonesty

Adherence to these principles is necessary in order to ensure that:

- everyone is given proper credit for his or her ideas, words, results, and other scholarly accomplishments
- all student work is fairly evaluated, and no student has an inappropriate advantage over others
- the academic and ethical development of all students is fostered
- the reputation of the University for integrity is maintained and enhanced.

Failure to uphold these principles of academic integrity threatens both the reputation of the University and the value of the degrees awarded to its students.

Code of Student Conduct

Rutgers University-Camden seeks a community that is free from violence, threats, and intimidation; is respectful of the rights, opportunities, and welfare of students, faculty, staff, and guests of the University; and does not threaten the physical or mental health or safety of members of the University community, including in classroom space.

As a student at the University, you are expected adhere to the Code of Student Conduct.

To review the code, go to the Office of Community

Standards: <https://deanofstudents.camden.rutgers.edu/student-conduct>Links to an external site.

Note that the conduct code specifically addresses disruptive classroom conduct, which means "engaging in behavior that substantially or repeatedly interrupts either the instructor's ability to teach or student learning. The classroom extends to any setting where a student is engaged in work toward academic credit or satisfaction of program-based requirements or related activities."