



# 101142 Finance

## 2015 Madison College International Learning Outcomes

Legend: A = Assessed

External Standards	10114120 Financial Planning	10114126 Corporate Finance	10114127 Financial Analysis	10114128 Financial Institutions	10114130 Personal Finance	10114140 Investment
Cultural Awareness - Demonstrate awareness of and sensitivity to other cultures' norms, practices, and actions while at the same time recognizing, acknowledging, and appreciating individual difference.			A			
Intercultural Communications - Communicate effectively and respectfully with diverse peoples in intercultural teams and work groups.			A			



Madison College

# 10-114-127 Financial Analysis

## Outline of Instruction

### Course Information

<b>Description</b>	This is a capstone course for the finance program. The student will work on a team to analyze an industry and will work individually to analyze a specific company.
<b>Total Credits</b>	3

### Course Competencies

**1. Perform industry research**

**Assessment Strategies**

by satisfactorily completing and submitting all homework assignments when due

**Criteria**

*Criteria - Performance will be satisfactory when:*

- you identify common sources for business information (library and internet)
- you examine current trends in an industry

**2. Perform company research**

**Assessment Strategies**

by satisfactorily completing and submitting all homework assignments when due

**Criteria**

*Criteria - Performance will be satisfactory when:*

- you identify common sources for corporate information
- you use a variety of sources including the internet, magazines and annual reports, but limits the use of textbooks
- you summarize the current economic, social, legal and political environment in regards to their corporation
- you accurately locate required financial data
- you compute required data necessary for financial analysis

**3. Analyze company financial and non-financial data**

**Assessment Strategies**

by satisfactorily completing and submitting all homework assignments when due

**Criteria**

*Criteria - Performance will be satisfactory when:*

- you identify the task to be performed or decision to be made

you accurately interpret and evaluates data  
you select an appropriate solution, process, or decision based on the data  
you analyze a global company

#### **4. Critically evaluate current financial readings**

##### **Assessment Strategies**

by satisfactorily completing and submitting all homework assignments when due

##### **Criteria**

*Criteria - Performance will be satisfactory when:*

you evaluate the content of current financial topics  
you prepare an accurate written evaluation of the topic

#### **5. Write a financial analysis report**

##### **Assessment Strategies**

by completing the assignment when due, following all requirements for length, subject matter and formatting

##### **Criteria**

*Criteria - Performance will be satisfactory when:*

document is organized  
document is suited to the objectives and purpose of the assignment  
document contains a distinct introduction, body, and conclusion  
document includes the use of conventional English usage standards (spelling, punctuation, sentence structure and usage)  
document includes appropriate charts and illustrations  
document includes a discussion of the appropriate conclusions based on data analyzed  
document includes credit to sources used

#### **6. Orally present a financial analysis report**

##### **Assessment Strategies**

by presenting the oral report when due, following all requirements for length, subject matter and formatting

##### **Criteria**

*Criteria - Performance will be satisfactory when:*

presentation includes the use of the conventions of standard spoken English  
presentation is unified, coherent and accurate  
presentation includes visual aids, as appropriate  
speaker is clear and coherent, with adequate volume  
speaker captures and holds the audience's attention  
presentation follows all requirements specified by the instructor for content, format and length of presentation

#### **7. Evaluate oral and written communications**

##### **Assessment Strategies**

by attending all presentations  
by following all requirements specified by instructor for format, content and length of the evaluation to be prepared

##### **Criteria**

*Criteria - Performance will be satisfactory when:*

reviewer presents specific feedback

reviewer gives constructive feedback that covers the full range of issues to be addressed (content, delivery, quality of visuals, organization, teamwork, etc.)

## 8. Analyze foreign currency relationships

### Assessment Strategies

Group Project, Individual Presentation

### Criteria

Analysis includes data from five foreign countries

Analysis compares currencies between foreign countries and the US

Analysis incorporates gross domestic product and inflation rates

Demonstrate awareness of and sensitivity to other cultures' norms, practices, and actions while at the same time recognizing, acknowledging, and appreciating individual difference. (ILO CULTURAL AWARENESS 2015)

Communicate effectively and respectfully with diverse peoples in intercultural teams and work groups. (ILO INTERCULTURAL COMMUNICATION 2015)

## Assignment

### Foreign Currency Project and Presentation:

Choose a minimum of 2 country's currencies to compare to the United States dollar. The web links below identify several sources for you to find historical currency rates and other potential datasets which you are able to download. I recommend you choose a country you are interested in learning more about. You will work with a team of 2 – 4 students in doing your research and comparing results. Each student must have different foreign countries. Be sure to sign up online under the "Foreign Currency Project WIKI".

### Some Sample Data Websites:

- Historical currency rates are found here: <https://www.xe.com/currencytables/>
- <http://www.quora.com/Where-can-I-find-large-datasets-open-to-the-public>
- <http://guides.lib.ucdavis.edu/content.php?pid=479813&sid=3931515>
- Macrodata guide : <http://www.nsd.uib.no/macrodataloguide/index.html> The MacroDataGuide is a tool that has been especially developed by the Norwegian Social Science Data Services to save researchers and students time and energy in their search for high quality social science macro data. While the main distinction is most often drawn between micro and macro data, the term 'meso data' is also sometimes used. Meso data generally refers to data on collective and cooperative actors such as commercial companies, organizations or political parties.
- DataFinder from the Population Reference Bureau: <http://www.prb.org/DataFinder.aspx>
  - A database with hundreds of variables for the US and the world.
- American Fact Finder
  - : <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>
- World DataBank: <http://databank.worldbank.org/ddp/home.do>
  - From the World Bank. World Development Indicators plus other international indicators.
- <http://www.cdc.gov/DataStatistics/>
- <https://www.federalreserve.gov/datadownload/>
- <https://aws.amazon.com/public-data-sets/>
- <http://www.kdnuggets.com/datasets/index.html>
- <https://www.cms.gov/research-statistics-data-and-systems/research-statistics-data-and-systems.html>

- 1) From your selected dataset(s) compare the historical currency rates between all of the countries. A number of items you will want to consider:

- a. Inflation Rates
- b. GDP
- c. Imports & Exports
- d. **Write out 5 analytical questions you want to answer from your data sources Answer the questions by creating pivot tables, calculated fields or whatever is needed to analyze the data.**

**Examples:**

- Percent change over time
  - Descriptive Statistics
  - Scatter plots to show relationship between variables
  - Use processes from your textbook:
    - Financial Statement forecasting
    - Time Value of Money Analysis
    - Capital Budgeting Analysis
    - Time series Decomposition and Forecasting analysis
    - Financial Statement Analysis
  - Ratio of one variable to another - create indexes to show relativities
  - Many more analysis -- please ask me if you need help
  - Create tables, charts or graphs to exhibit the answer to your questions.
- 2) Create a Power Point Presentation to show your results. Your presentation needs to be 8-10 minutes long. At a minimum it should cover the following:
- a. What is data source and why did you choose it
  - b. How do the inflation and GDP rates differ between the countries
  - c. Include your charts, tables, graphs, etc as Exhibits in your presentation

**Other Notes:**

Label tabs on excel workbooks, label charts and tables clearly and appropriately

## Syllabus

### Financial Analysis

Spring 2019 – Tuesday evenings - Hybrid

Instructor: Cori Thompson

Office: B2258 cube B – Truax Campus

Office phone: 608-243-4536; cell phone: 608-516-0819 [cathompson@madisoncollege.edu](mailto:cathompson@madisoncollege.edu)

MATC 800-Number: 1-800-322-6282

Welcome to Financial Analysis. My name is Cori Thompson and I will be your instructor for this course. My office is located at the Truax campus room B2258. You can best reach me on my cell phone (608) 516-0819 or email me any time at: [cathompson@madisoncollege.edu](mailto:cathompson@madisoncollege.edu)

**The syllabus, announcements and assignments are on your Blackboard site. You are required to use MATC email. All assignments must be completed in either Word or Excel and your completed file must be attached through the assignment link in Blackboard. DO NOT email your assignments to me as an email attachment....they must be attached through Blackboard. Blackboard works best with Mozilla Firefox or Internet Explorer 8.0. If you are having difficulty attaching files through Blackboard, please look at the browser you are using.**

**Course Description:** This is a capstone course for the finance program. The student will analyze the financial statements of an actual company and will work in teams to analyze an industry. The student will use Excel to perform analytical processes incorporating formulas, functions, pivot tables, macros, charts and graphs. Several projects will familiarize students with common sources of business and financial information and will develop their analytical skills. **Two oral presentations and written reports are required to pass this course.**

Prerequisite: 101-118 Management Accounting or 101-125 Cost-Accounting;  
102-126 Corporate Finance; **Excel is used extensively in this course.**

➤ **Textbook – order through South-Western – Cengage Learning:**

- Financial Analysis with Microsoft Excel 2016, 8<sup>th</sup> edition; Author-Timothy R. Mayes; Cengage textbook – included with Cengage Unlimited; ISBN-13 978-1-337-29804-9; ISBN-10 1-337-29804-2; 8<sup>th</sup> Edition: [https://www.amazon.com/Financial-Analysis-Microsoft-Excel-2016/dp/1337298042/ref=dp\\_ob\\_title\\_bk](https://www.amazon.com/Financial-Analysis-Microsoft-Excel-2016/dp/1337298042/ref=dp_ob_title_bk)
- **Notice:** [If you have Excel 2013 on your computer then you can use the 7<sup>th</sup> edition: *Financial Analysis with Microsoft Excel 2013*; by Timothy R. Mayes, 7<sup>th</sup> Ed.; ISBN-13: 978-1-285-43229-9; ISBN-10: 1-133-62645-9; Look for a used copy.] 7<sup>th</sup> edition: [https://www.amazon.com/Financial-Analysis-Microsoft-Excel-Timothy/dp/1285432274#reader\\_1285432274](https://www.amazon.com/Financial-Analysis-Microsoft-Excel-Timothy/dp/1285432274#reader_1285432274)

### **Class Projects/Assignments:**

Project 1 – Company Analysis: End of chapter problems from the above text are assigned as exercises. The student will complete parallel assignments for a public company off the suggested list. The student will compare results to other companies and to the industry; discuss their findings in their written Capstone Financial Report and give an oral presentation summarizing their findings.

Students are required to work with a team; team dynamics and accountability are part of life after education. A written and oral presentation of their findings is required.

Project 2 – Foreign Currency Project: Students will work in teams analyzing 2 foreign countries including their currency rates, inflation rates and GDP. Details can be found in the Assignment on Blackboard. A written and oral presentation of their findings is required.

It is your responsibility to make sure your assignments are submitted through Blackboard. Be sure to look for the explanation mark “!” in your Blackboard grade-book. Email and computer problems are not an excuse for late assignments. If you are unable to complete your assignment because you need peer information, submit what you have completed.

**Assignments, readings, problems and case studies must be prepared in Word or Excel.** They will be graded on accuracy, quality of insights, data analysis procedures utilized, grammar and spelling. All of the assignments are online and it is expected the student will be able to access the internet daily. It is expected that the student will have access to MS Word and Excel versions 2013 or 2016 on a regular basis. Student discounts for software can be found at <http://wiscsoftware.wisc.edu/wisc/>

- **Attendance:** Class attendance and participation is expected. This is your best opportunity to work with your team.
- **Core Abilities:** Core abilities assessed in this course include: Critical Thinking, analytical skills, Global & International Markets, Mathematics.
- **Student Responsibilities:** Students are expected to be familiar with MATC policies and procedures. <http://madisoncollege.edu/matc/studentresources/rights/>

**Class Disruptions:** Both instructors and students have a right to an educational environment which is conducive to learning. Descriptions regarding this information can be found at: <http://madisoncollege.edu/matc/studentresources/rights/disruptions.shtm>

**Academic Integrity:** Plagiarism and cheating are prohibited at MATC. Students who fail to observe these standards are subject to disciplinary action. Please refer to the MATC website regarding Academic Misconduct: <http://madisoncollege.edu/matc/studentresources/rights/misconduct.shtm>

**Disability/Special Needs Students**

Student’s with special needs (those who are learning or physically challenged and require support services to succeed academically) can work with instructors and peer tutors to arrange basic skills instruction, test-taking accommodations, assistance in program areas, etc. If you require special accommodations or services please notify me early in the semester. Disability Resource Services can be found at this link: <https://madisoncollege.edu/disability-resource-services>

**Method of Evaluation:** Grades will be determined numerically, based on points earned divided by total points possible:

<u>Allocation of Points</u>		<u>Grading Scale (points will appear in Blackboard)</u>	
		<u>Grade</u>	<u>Scale</u>
Weekly Assignments	20%	A	94%
Capstone Paper	20%	AB	88%
Capstone Oral Report	20%	B	83%
Foreign Currency Presentation	20%	BC	77%
Foreign Currency Report	<u>20%</u>	C	70%
	100%	D	60%
		F	Less than 60%

**Withdrawal Policy:**

It is the student’s responsibility to formally withdraw from this class if they need to drop this course. I will not be withdrawing any student for attendance, participation, or any other issue. Faculty may not issue a W to any student for any reason.

If you have any questions or concerns please feel free to give me a call or email. This class is an opportunity for you to show off your analytical skills and abilities. You will create financial analysis documents that you can take with you to use in your job search. My hope is that you will see this as a productive time for yourself and your future and that you will learn concepts you can use all your life.

---Looking forward to a great semester---

Mrs. Corine Thompson

## Financial Analysis Timetable

- **Financial Analysis – Course # 10-114-127**
- **Section # 61057–Tuesday evenings 6-9 pm; Truax Campus – Room D3639**
- **Textbook:**
  - Financial Analysis with Microsoft Excel 2016, 8<sup>th</sup> edition; Author-Timothy R. Mayes; Cengage textbook – included with Cengage Unlimited; ISBN-13 978-1-337-29804-9; ISBN-10 1-337-29804-2; 8<sup>th</sup> Edition: [https://www.amazon.com/Financial-Analysis-Microsoft-Excel-2016/dp/1337298042/ref=dp\\_ob\\_title\\_bk](https://www.amazon.com/Financial-Analysis-Microsoft-Excel-2016/dp/1337298042/ref=dp_ob_title_bk)
  - Notice: [If you have Excel 2013 on your computer then please use the 7<sup>th</sup> edition: Financial Analysis with Microsoft Excel 2013; by Timothy R. Mayes, 7<sup>th</sup> Ed.; ISBN-13: 978-1-285-43229-9; ISBN-10: 1-133-62645-9; Look for a used copy.] 7<sup>th</sup> edition: [https://www.amazon.com/Financial-Analysis-Microsoft-Excel-Timothy/dp/1285432274#reader\\_1285432274](https://www.amazon.com/Financial-Analysis-Microsoft-Excel-Timothy/dp/1285432274#reader_1285432274)
- **Assignments and announcements will be posted to Blackboard. Student is responsible for checking Madison College email & Blackboard frequently.**

Week of Class	Financial Analysis with MS Excel Textbook	<u>Assignments- in Blackboard</u>
<p>In this course you will be performing an in-depth financial analysis of a company of your choice. You will be working as a team with other students who are researching a company in the same industry as you. There must be a minimum of 2 people in a group – determined by the industry of the company you choose. You will be expected to complete a “Capstone – Company Financial Analysis written report” and a separate Power Point slide and oral presentation to the class.</p> <p>The second part of the course will include a <b>Global component</b> - miscellaneous financial analytic skills applied to various datasets. You will be performing pivot tables, Time-series and forecasting, trend analysis, regression analysis, charting and graphing. Each project will require executive summaries of the analysis. Student will choose their own dataset to analyze and to present to the class.</p>		
1	Unit 1: Week 1 – due Jan. 30 <sup>th</sup>	

Week of Jan 22 <sup>nd</sup>	Read Mayes <b>Chapter 1</b> (note best practices for spreadsheet models) Excel Resource: Excel is Fun YouTube Channel: <a href="https://www.youtube.com/user/ExcelsFun">https://www.youtube.com/user/ExcelsFun</a>	<input type="checkbox"/> Choose company for Capstone Project <input type="checkbox"/> Ch. 1 exercise 2 from text. After creating your template, repeat using your Capstone Project company – follow instructions from the Internet Exercise use your Capstone project company <input type="checkbox"/> CP_Assignment01 – Capstone Project Assignment 1 (Excel spreadsheet with financial information; save 10k and Annual Report to a USB drive or bookmark it online so that you can find it. You DO NOT have to attach in Blackboard or print your Annual report or 10K – they are typically large documents. Just keep track of where they are so that you can review them.
2 Week of Jan 29 <sup>th</sup>	Week 2 – Due Feb 5 <sup>th</sup>  <b>Chapter 2</b> – the Basic Financial Statements	<input type="checkbox"/> CP_Assignment02.doc – Capstone Project - More Company Information; <input type="checkbox"/> Ch02_Exercises from text <input type="checkbox"/> Add yourself to the Group Wiki -- Form groups based on the Industry of your company. Min of 2 people, max of 4 <input type="checkbox"/> Group WIKI - Post Industry articles, summary and comments
3 Week of Feb 5 <sup>th</sup>	Week 3 – Due Feb 12 <sup>th</sup> Continue Chapter 2 Read <b>Chapter 3</b> – Financial Statement Analysis Tools	<input type="checkbox"/> Save your Company Financial Statements on Excel <input type="checkbox"/> Compute your Vertical Analysis/Common Size Statements Capstone Project (CP) assignment – CP_VA <input type="checkbox"/> Compute your Horizontal Analysis Financial Statements – that is the trend from year to year. <input type="checkbox"/> <b>Be ready to show your Excel spreadsheet and how you are organizing your data at class</b>
4 Week of Feb 12 <sup>th</sup>  <b>Class</b>	Week 4 – Due Feb 19 <sup>th</sup>  More of <b>Chapter 3</b> – Financial Statement Analysis Tools Preview – Chapter 5	<input type="checkbox"/> Ch03 - exercises from Chapter 4 in the text - Complete the Internet Exercise for your Capstone company <input type="checkbox"/> CP_Ratios– Replicate the ratios found in the textbook for your Capstone Project company – share with your team and complete a comparison spreadsheet
5 Week of Feb 19 <sup>th</sup>  No Class	Week 5 – Due March 1 <sup>st</sup>  Chapter 5 – Financial Statement Forecasting	<p><b>Internet problem, pg 165/166; Using your Capstone company repeat problem 3.</b></p> <p><b>Add information to your Draft report</b></p>
6	Week 6 & 7	<input type="checkbox"/> Find the Executive Compensation for your Company and share with your team.

Week of Feb 26 <sup>th</sup>  <b>Class</b>	Work on Draft of Report	<input type="checkbox"/> Begin first Draft of your report – Outline Sections & fill in as much as possible <ul style="list-style-type: none"> <li>• <b><u>Example of Sections for this Draft</u></b></li> <li>• Introduction</li> <li>• Company/Industry Overview</li> <li>• Management Discussion &amp; Analysis</li> <li>• Executive Compensation</li> <li>• Balance Sheet/Income Statement Highlights</li> <li>• Vertical Analysis</li> <li>• Horizontal Analysis</li> <li>• Liquidity Ratios</li> <li>• Profitability Ratios</li> <li>• Interpretation of Ratios</li> <li>• Financial Projections</li> <li>• Outline other sections of your paper indicating where you may have charts/graphs or tables</li> <li>• Reference section/Cite your work</li> </ul>
7 Week of March 5 <sup>th</sup>	Week 7 Meet with team Work on your report	<input type="checkbox"/> Make changes to your Capstone Report <input type="checkbox"/> Create Power Point Presentation
8 Week of March 12 <sup>th</sup>	Presentation Night!	<p><b><i>Oral Presentation Required to receive a passing grade in the course</i></b></p> <input type="checkbox"/> Power Point Presentations to the Class (Power point or other presentation software) <input type="checkbox"/> Capstone Paper Due by March 15 <sup>th</sup> - midnight
10 Week of	<b>Spring Break</b> <b>No class</b>	<ul style="list-style-type: none"> <li>• Enjoy your Break ☺</li> </ul>
Week of Mar 26 <sup>th</sup>	Week 8: <b>Understand Foreign Currency Team Project</b>  Chapter 6 – Forecasting Sales with Time Series Methods (8 <sup>th</sup> edition)	<input type="checkbox"/> Time Series decomposition <input type="checkbox"/> Smoothing a time series with moving averages <input type="checkbox"/> Isolating the seasonality of a time series <input type="checkbox"/> Extracting the Irregular Component <input type="checkbox"/> Time Series Forecasting Techniques <input type="checkbox"/> Exponential Smoothing Methods <input type="checkbox"/> Time series forecasting using Regression Analysis
11 Week of Apr 2 <sup>nd</sup>	Week 9 – Due Apr 18 <sup>th</sup>	Continue Chapter 6 from textbook <input type="checkbox"/> Ch. 6 problems – pg. 192/193 <input type="checkbox"/> Pull data for your Foreign Currency project <input type="checkbox"/> Historical Prices/Inflation Rates/GDP <input type="checkbox"/> Group into your Teams
12	Unit 6:  Week 10:	<input type="checkbox"/> Risk and Capital Budgeting –pg. 389 <input type="checkbox"/> Expected Value

Week of Apr 9 <sup>th</sup>	Chapter 13	<input type="checkbox"/> Sensitivity Analysis <input type="checkbox"/> Scenario Analysis <input type="checkbox"/> Expected NPV <input type="checkbox"/> Variance and Standard Deviation <input type="checkbox"/> Monte Carlo Simulation <input type="checkbox"/> Risk Adjusted Discount Rate Method <input type="checkbox"/> Certainty-Equivalent Approach
13 Week of Apr 16 <sup>th</sup>	Week 11: Chapter 14	<input type="checkbox"/> Portfolio Statistics and Diversification – pg. 425 <input type="checkbox"/> Determining portfolio risk and return <input type="checkbox"/> Portfolios with more than 2 securities <input type="checkbox"/> The Efficient Frontier <input type="checkbox"/> The Capital Market Line <input type="checkbox"/> Utility Functions and the Optimal Portfolio <input type="checkbox"/> The Capital Asset Pricing Model
14 Week of Apr 23 <sup>rd</sup>	Unit 7: <b>Chapter 16 from Text</b>	Analyzing Dataset with Tables and Pivot Tables pg. 493 <u>Excel:</u> Pivot tables, contingency tables, Calculated fields, <input type="checkbox"/> Transpose data Working with large data sets <input type="checkbox"/> Complete Chapter 15 assignments from textbook <ul style="list-style-type: none"> <li>○ <b>Transpose data</b></li> <li>○ <b>Create pivot tables</b></li> </ul> <input type="checkbox"/> Work on Projects
15 Week of Apr 30 <sup>th</sup>	Data Sources and Presentation materials	<input type="checkbox"/> <b>Finish up questions from Chapters 13, 14 and 16</b> <input type="checkbox"/> Review Data Sources <input type="checkbox"/> <b>Finish Excel Projects</b>
16 Week of May 7 <sup>th</sup>		<input type="checkbox"/> Work on presentations
17 May 14 <sup>th</sup> Class	<b>Project –Foreign Currency Presentations</b>	<input type="checkbox"/> Student Presentations – in Class

*\*This schedule is tentative and subject to change throughout the semester. Watch Blackboard announcements and your email for changes.*