

**College of Micronesia-FSM  
Course Outline**

**GENERAL INFORMATION:**

<b>Course Number and Title:</b> BA350 Corporate Finance		
<b>Campus:</b> National	<b>Initiator:</b> Timothy James M. Mamangon and George Mangonon	<b>Date:</b> June 1, 2021
<b>Course description:</b>  The course builds on the principles of finance and further investigates the necessary tools to help managers analyze and solve financial problems in a business organization. Topics include financial planning, asset valuation, capital budgeting, capital structure, financial analysis, dividend policy, corporate restructuring, and some aspects of international finance. The student will develop a case analysis based on corporate financial problems.		

**COURSE HOURS/CREDITS:**

	Hours per Week		No. of Weeks		Total Hours		Semester Credits
Lecture	3	x	16	x	48	=	3
Laboratory		x		x		=	
Workshop		x		x		=	
			Total Semester		Credits		3

**PURPOSE OF COURSE:**

- Degree requirement
- Degree elective
- Certificate
- Other

**PREREQUISITES:**

BA250 Principles of Finance

**PSLOs OF OTHER PROGRAMS THIS COURSE MEETS:** None

PSLO#	Program
N/A	

CC Chair signature:  Date recommended: Jan 18, 2024  
 VPIA signature:  Date approved: January 29, 2024

**1) INSTITUTIONAL STUDENT LEARNING OUTCOMES (Check all that apply)**

<input type="checkbox"/>	1. <b>Effective oral communication:</b> capacity to deliver prepared, purposeful presentations designed to increase knowledge, to foster understanding, or to promote change in the listeners' attitudes, values, beliefs, or behaviors.
<input type="checkbox"/>	2. <b>Effective written communication:</b> development and expression of ideas in writing through work in many genres and styles, utilizing different writing technologies, and mixing texts, data, and images through iterative experiences across the curriculum.
<input checked="" type="checkbox"/>	3. <b>Critical thinking:</b> a habit of mind characterized by the comprehensive exploration of issues, ideas, artifacts, and events before accepting or formulating an opinion or conclusion.
<input checked="" type="checkbox"/>	4. <b>Problem solving:</b> capacity to design, evaluate, and implement a strategy to answer an open-ended question or achieve a desired goal.
<input type="checkbox"/>	5. <b>Intercultural knowledge and competence:</b> a set of cognitive, affective, and behavioral skills and characteristics that support effective and appropriate interaction in a variety of cultural contexts.
<input checked="" type="checkbox"/>	6. <b>Information literacy:</b> the ability to know when there is a need for information, to be able to identify, locate, evaluate, and effectively and responsibly use and share that information for the problem at hand.
<input type="checkbox"/>	7. <b>Foundations and skills for life-long learning:</b> purposeful learning activity, undertaken on an ongoing basis with the aim of improving knowledge, skills, and competence.
<input checked="" type="checkbox"/>	8. <b>Quantitative Reasoning:</b> ability to reason and solve quantitative problems from a wide array of authentic contexts and everyday life situations; comprehends and can create sophisticated arguments supported by quantitative evidence and can clearly communicate those arguments in a variety of formats.

**2) PROGRAM STUDENT LEARNING OUTCOMES (PSLOs): The student will be able to:**

1. Apply skills concepts and techniques in main functional areas of business and accounting;
2. Interpret and use quantitative techniques in solving business problems and decision-making using technological tools;
3. Develop and apply effective intercultural oral and written communication skills appropriate for business; and
4. Recognize and assess basic legal, environmental, and ethical challenges confronting businesses in general.

**3) COURSE STUDENT LEARNING OUTCOMES (CSLOs) (General): The student will be able to:**

1. Apply the Weighted Average Cost of Capital (WACC) to identify the cost of capital for a firm;
2. Apply the major capital budgeting decision criteria to evaluate planned investments;
3. Use a project cash flow estimation to analyze the value of a new or expansion project; and
4. Apply concepts of cash budget, assets management, and credit to working capital management problems.

**4) COURSE STUDENT LEARNING OUTCOMES (CSLOs) (Specific): The student will be able to:**

<b>CSLO(General) 1: Apply the Weighted Average Cost of Capital (WACC) to identify the cost of capital for a firm.</b>			
Student Learning Outcome (specific)	ISLO	PSLO	Assessment Strategies
1.1 Calculate the cost of the different capital components.	3 ,4, 8	2	The student will be given a problem-solving activity that will calculate the cost of different capital components. The calculation will be rated with a rubric.
1.2 Use the cost of capital components to find the WACC.	3, 4, 8	2	The student will use the cost of capital components to find the WACC. The computations will be rated with a rubric.
1.3 Demonstrate by using a graph how the determinants of WACC affect the cost of capital.	3 ,4, 8	2	The student will demonstrate by using a graph how the determinants of WACC affect WACC affect the cost of capital. The graph will be graded with a rubric.
1.4 Solve for the cost of capital while considering firm risks.	3,4, 8	2	The student will be given a problem-solving activity that will solve for the cost of capital while considering firm risks. The solutions will be rated with a rubric.
<b>CSLO(General) 2: Apply the major capital budgeting decision criteria to evaluate planned investments.</b>			
Student Learning Outcome (specific)	ISLO	PSLO	Assessment Strategies
2.1 Calculate the Net Present Value (NPV), Internal Rate Return (IRR), Modified Internal Rate of Return (MIRR), Payback Period, and Discounted Payback Period.	3, 4 ,8	2	The student will calculate Net Present Value (NPV), Internal Rate Return (IRR), Modified Internal Rate of Return (MIRR), Payback Period, and Discounted Payback Period. The computations will be rated with a rubric.

2.2 Construct the NPV profile for a group of investment alternatives.	3, 4, 8	2	The student will construct an NPV profile for a group of investment alternatives. The NPV profile will be rated with a rubric.
2.3 Use the NPV and other methods to evaluate and recommend an investment.	3, 4, 8	2	The student will use the NPV and other methods to evaluate and recommend an investment. The answer process will be rated with a rubric.
<b>CSLO(General) 3: Use a project cash flow estimation to analyze the value of a new or expansion project.</b>			
Student Learning Outcome (specific)	ISLO	PSLO	Assessment Strategies
3.1 Discover relevant cash flows that should be included in a capital budget analysis.	3, 4	2	The student will write short answers rated with a rubric, to questions on problems that will reflect his/her discovery of relevant cash flows that should be included in a capital budget analysis.
3.2 Prepare a cash flow estimation statement.	3, 4, 8	2	The student will be given a written assignment rated with a rubric that will require preparation of a cash flow estimation statement.
3.3 Apply major capital budgeting criteria to a project's cash flow statement.	3, 4, 8*	2	The student will be given a written assignment project rated with a rubric, that will require application of major capital budgeting criteria to a project's cash flow statement. The assignment project will be based on a case study and will constitute the authentic assessment for this course.
<b>CSLO(General) 4: Apply concepts of cash budget, assets management, and credit to working capital management problems.</b>			
Student Learning Outcome (specific)	ISLO	PSLO	Assessment Strategies
4.1. Compute for the Cash Conversion Cycle from financial statements of several scenarios.	4, 6, 8	1	The student will be given a problem-solving activity that will compute for the Cash Conversion Cycle from financial statements of several scenarios. The computations will be rated with a rubric.
4.2. Prepare the cash budget for a firm.	4, 6, 8	1	The student will be given a written assignment rated with a rubric, that will require a preparation of the cash budget for a firm.

4.3. Determine how current assets affect working capital management.	4, 6	1	The student will be given a written assignment rated with a rubric that will require short answers to questions to determine how current assets affect working capital management.

**5) COURSE CONTENT:**

- The cost of capital
- Factors that affect the WACC
- Adjusting the Cost of Capital for Risk
- NPV, IRR, MIRR, Pay Back Period and NPV profiles
- Conceptual Issues in Cash Flow Estimation
- Analysis of New or Expansion Projects
- Working capital management
- The cash budget

**6) METHOD(S) OF INSTRUCTION:**

- Lecture                     Cooperative learning groups  
 Laboratory                     In-class exercises  
 Audio visual                     Demonstrations  
 Other - Learning Management Systems (LMS)

**7) REQUIRED TEXT(S) AND COURSE MATERIALS:**

- Brigham, Eugene F., and Joel F. Houston. *Fundamentals of Financial Management*, 13th ed., Cengage Learning, 2021 (or most recent edition).
- Financial or scientific calculator
- GoVenture business simulation program

**8) REFERENCE MATERIALS:**

None

**9) INSTRUCTIONAL COSTS:**

None

**10) EVALUATION:**

Summative evaluation is accomplished by having the student complete a project, midterm, and final exams.

The student must achieve at least a grade of “C” or higher to pass the course.

**11) CREDIT BY EXAMINATION:**

None