COURSE NUMBER: Fin 4041  TERM/YEAR: Fall 2017

COURSE TITLE: Financial Modeling

CLASS MEETS: Monday, Wednesday, Friday 9:00 to 9:55
Room 110, Lindner Hall

INSTRUCTOR: Professor Michael Neugent

TEXT: Recommended (not required) Corporate Financial Statement Analysis with Excel, Francis Clauss

OFFICE: 416 Lindner Hall

PHONE: (513)-556-7085

EMAIL: michael.neugent@uc.edu

OFFICE HOURS: M-W-F 10:00 to 11:30. Other times by appointment.

LINK TO PACE

This course aligns with PACE, the Lindner College of Business platform for developing the total business professional.

P – Professionalism
• Enhance oral & written communication, express ideas clearly, logically and persuasively.
• Develop and practice teamwork skills through group projects and exercises.
• Practice professional habits of punctuality, preparation, respect and participation.

A – Academics
• Develop foundational knowledge of core business functions and their interactions within firms.
• Begin applying functional and cross-functional knowledge to critically analyze business problems; for example applying techniques for business plan development.

C – Character
• Learn and apply leadership techniques for project management (plan, brief, execute, debrief).
• Build an understanding and initial skills of managing diversity, including understanding cultural differences, and challenges and opportunities of global business.
• Understand importance of ethics and social responsibility in business and personal settings.

E – Engagement
• Build understanding of importance and practices of networking through interactions with business professionals and guest speakers.

Develop awareness and appreciation of involvement in social organizations, community service, and professional group opportunities.

TEACHING PHILOSOPHY:
I believe in challenging my students to the highest standards of performance by providing them every resource that they might need.

COURSE DESCRIPTION:
This course is a very hands on course, designed to enable students to build skills useful in business and utilize financial models in Excel. In the course will explore forecasting, data analysis, valuation methodologies, present value and future value, NPV, amortization schedules, bond valuation, and the translation of finance formulas to excel. This is a very hands-on class so class attendance and participation is a significant part of your grade. The course will pull material from multiple disciplines, especially accounting.

COURSE RESPONSIBILITIES:
My expectation is that each student will come to class prepared and is willing to participate. There will be plenty of opportunities for you to voice your opinions and ideas and I strongly encourage participation from students, otherwise the course would be very boring. You should treat our classes as a regular day in the workplace.

COURSE OBJECTIVES:
• To understand how to utilize Excel to in evaluating Time Value of Money, Valuation, Capital Structure, Capital Budgeting, Financial Planning, International Finance, and Options and Corporate Finance evaluations.
• To understand how to evaluate the output of the above utilizing Excel.

ATTENDANCE
Attendance will be checked regularly during the semester. You are expected to be in class each time the class meets. It is mandatory that you bring your laptop to each class.

CLASS FORMAT:
The course is very topic driven, with much of the course work being completed in class. There will be numerous in class exercises to be completed and turned in at the end of class. All class exercises will be reviewed by course TA and any appropriate feedback will be communicated by the TA to the student.
SCHEDULE OF CLASS TOPICS:
During the first class session each student will complete a skill assessment questionnaire. Please keep in mind that the purpose of this questionnaire is to assess your current competency with Excel - THIS IN NO WAY IMPACTS YOUR GRADE. After the assessment forms have been evaluated (second week of classes) the tentative class schedule of topics may be adjusted.

EXAMS & PROJECTS:
In lieu of exams there will be three take home projects. You will have two to four weeks to work on each project. All assignments are individual assignments. Details of each project will be posted on Blackboard.

BOOK:
You will turn in a 750 word paper on Blink by Malcolm Gladwell. The paper should be a recap of the book as well as your opinions of the ideas expressed by the author. Additional details of this assignment will be posted on Blackboard during the second week of classes.

INSTRUCTIONAL METHODS
The following course utilizes the Blackboard (Bb) Learning Management System to provide student-centered online learning that will enhance the teaching and learning process. Through a variety of instructional methods (e.g. discussion boards, video lectures, readings, online assessments, etc.) the learner will become immersed and engaged in the learning process. If you are not familiar with these tools, please visit IT@UC's Knowledge Base for Blackboard.

COURSE COMMUNICATION
University policy requires that the email set up in Blackboard is the primary means of communication. It is advisable that you use your UC email for this purpose and that you check it often. If you choose to change your email in Blackboard to a non-UC email it is your responsibility to ensure you check it frequently.

COURSE AND GRADING POLICIES

1. Course Structure: Changes to the syllabus, due dates, course requirements or grading requirements will be made as far in advance as possible. Due dates will be clearly marked in Blackboard. All assignments will be submitted via Blackboard using a Word document, PDF document or an Excel document. When completing discussion board assignments please make sure to abide by the rules of netiquette which are posted under course documents.

2. Academic Integrity: As with all Lindner College of Business efforts, in this course you will be held to the highest ethical standards, critical to building character. Ensuring your integrity is vital and ultimately is your responsibility. To help ensure the alignments of incentives, the Lindner College of Business has implemented a “Two Strikes Policy” regarding Academic Integrity that supplements the UC Student Code of Conduct (see: UC's Student Code of Conduct)
   • All academic programs at the Lindner College of Business use this “Two Strikes Policy”;


Any student who has been found responsible for two cases of academic misconduct may be dismissed from the College.

- All cases of academic misconduct (e.g., copying other students assignments, failure to adequately cite or reference, cheating, plagiarism, falsification, etc.) will be formally reported by faculty; and
- Students will be afforded due process for allegations as outlined in the policy.

3. **Disability:** Students with disabilities who need academic accommodations or other specialized services while attending the University of Cincinnati will receive reasonable accommodations to meet their individual needs as well as advocacy assistance on disability-related issues. Students requiring special accommodation must register with the Disability Services Office. [UC's Disability Services Office](#).

4. **Counseling Services, Clifton Campus:** Students have access to counseling and mental health care through the University Health Services (UHS), which can provide both psychotherapy and psychiatric services. In addition, Counseling and Psychological Services (CAPS) can provide professional counseling upon request; students may receive five free counseling sessions through CAPS without insurance. Students are encouraged to seek assistance for anxiety, depression, trauma/assault, adjustment to college life, interpersonal/relational difficulty, sexuality, family conflict, grief and loss, disordered eating and body image, alcohol and substance abuse, anger management, identity development and issues related to diversity, concerns associated with sexual orientation and spirituality concerns, as well as any other issue of concerns. After hours, students may call UHS at 513-556-2564 or CAPS Cares at 513-556-0648. For urgent physician consultation after-hours students may call 513-584-7777.

5. **Title IX:** Title IX is a federal civil rights law that prohibits discrimination on the basis of your actual or perceived sex, gender, gender identity, gender expression, or sexual orientation. Title IX also covers sexual violence, dating or domestic violence, and stalking. If you disclose a Title IX issue to me, I am required forward that information to the Title IX Office. They will follow up with you about how the University can take steps to address the impact on you and the community and make you aware of your rights and resources. Their priority is to make sure you are safe and successful here. You are not required to talk with the Title IX Office. If you would like to make a report of sex or gender-based discrimination, harassment or violence, or if you would like to know more about your rights and resources on campus, you can consult [UC's webpage for Title IX](#) or contact the office at 556-3349.

6. **Missed and/or late examinations, quizzes, and graded exercises:** [Instructor will insert their policy here]

7. **LCB Weather Related Protocol:** When inclement weather threatens the safety of the University of Cincinnati community, the Senior Vice President for Administration and Finance may invoke University Rule [3361: 10-55-01](#) and declare an emergency closing. The Lindner College of Business will observe the university emergency closing protocol for all on-campus classes. During a university emergency closing, all college offices will be closed.

Students should clarify with their course instructors how the closure will affect assignments and deadlines, and whether class information from the missed session(s) will be posted on
Blackboard, and/or if the class will meet virtually during the closure.  
In the event of inclement weather and the university is closed, the closure will not affect online courses. All course assignments and activities will remain as scheduled in the course syllabus.

GRADING:
Grading will be strictly by formula. NO EXTRA CREDIT WILL BE OFFERED. The grades on the projects, in-class work and homework are as follows:

<table>
<thead>
<tr>
<th>Task</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Project 1</td>
<td>35%</td>
</tr>
<tr>
<td>Class participation &amp; exercises</td>
<td>20%</td>
</tr>
<tr>
<td>Project 2</td>
<td>20%</td>
</tr>
<tr>
<td>Book</td>
<td>5%</td>
</tr>
<tr>
<td>Project 3</td>
<td>20%</td>
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</table>

GRADE SCALE

<table>
<thead>
<tr>
<th>Grade</th>
<th>Range</th>
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<tbody>
<tr>
<td>A</td>
<td>93-100</td>
</tr>
<tr>
<td>A-</td>
<td>90-92.9</td>
</tr>
<tr>
<td>B+</td>
<td>87-89.9</td>
</tr>
<tr>
<td>B</td>
<td>83-86.9</td>
</tr>
<tr>
<td>B-</td>
<td>80-82.9</td>
</tr>
<tr>
<td>C+</td>
<td>77-79.9</td>
</tr>
<tr>
<td>C</td>
<td>73-76.9</td>
</tr>
<tr>
<td>C-</td>
<td>70-72.9</td>
</tr>
<tr>
<td>D+</td>
<td>66-69.9</td>
</tr>
<tr>
<td>D</td>
<td>63-66.9</td>
</tr>
<tr>
<td>F</td>
<td>62.9 and less</td>
</tr>
</tbody>
</table>

SCHEDULE OF ASSIGNMENTS
Note: All assignments are to be emailed to the TA

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Book</td>
<td>9/11</td>
</tr>
<tr>
<td>Project 1</td>
<td>10/6</td>
</tr>
<tr>
<td>Project 2</td>
<td>11/3</td>
</tr>
<tr>
<td>Project 3</td>
<td>12/1</td>
</tr>
</tbody>
</table>
SOME OF THE TOPICS AND FUNCTIONS THAT WE ARE TO DISCUSS:

Topics
Spreadsheet design and usage.
Spreadsheet usability.
Formulas-created vs. embedded
Present value
Future value
Net Present value
Lottery analysis
Financial statement forecasting
Financial statement analysis
Forecasting-Is there one right way?
WACC calculation
DCF model. What’s its purpose?
Amortization schedules
Data tables
Pivot tables
Arrays
Data analysis
Countifs
Sumifs
Goal Seek & Solver
Scenario Manager

FORMULAS
Sum
Max
Min
Average
Median
Mode
Forecast
Trend
Correlate
Covariance
Standard Deviation
Future value
Present value
NPV
Pmt
Ppmt
Ipmt
Rate
Nper
Irr
If function

TOPICS SCHEDULE (TENTATIVE)

Week of:
8/21  Assessment, Introduction, spreadsheet design and usage, PV, NPV
8/28  Formulas, PMT, PPMT, IPMT, Amortization Schedule, Data Table
9/4   Data Table, Project Analysis
9/11  Forecasting Model, Project I, Porter’s Five Forces, Company discussion
9/18  Forecasting Model, DCF Model
9/25  in class work Project 1, DCF Model, DCF In class exercise
10/2  In class work Project 1
10/9  Pivot Table, stock portfolio project
10/16 Review Project I, Vlookup, Index, Match, Index/Match combination
10/23 Statistical Analysis, Conditional Statements
10/30 Arrays, Scenario Manager, Data Table review
11/6  Scenario Manager
11/13 Review Project II, Solver
11/20 Goal Seek, Countifs & Sumifs
11/27 Modeling Examples