Summer 6-1-2006

MBA 655.81: Advanced Financial Analysis in Excel

Bruce A. Costa

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The University of Montana  
School of Business Administration  
Department of Accounting and Finance

Course: MBA 655-81  Advanced Financial Analysis in Excel

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Semester: Summer 2006  
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Jun. 9, 6 - 9 PM  
Office Hrs: As required
Jun. 10, 8:30 - 5 PM
Jun. 11, 8:30 - 12 PM

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Text Books:

There is no text book for this class.

Course Objective:

There are two parts to solving almost any financial management problem. The first part is the analysis of the problem. By developing comfort with spreadsheet modeling, students are able to analyze data more efficiently and effectively. Second, is the interpretation, conclusions, and recommendations that come from the analysis. By increasing proficiency in analyzing data, students will be able to spend more time developing their conclusions and recommendations.

This course stresses both areas required to solve any financial problem, the analysis and the write up. We will examine the tools and methodology required to solve three different financial problems using Microsoft Excel. We will focus our analysis on hybrid financing, bankruptcy reorganization and mergers and LBOs. Each section will be presented via notes and real world examples that can be solved using MS Excel. Short write ups and a final case will stress the importance of presenting your analysis.

Exams

There is no exam associated with this course.

Mini-case Spreadsheet problems:

There will be three spreadsheet assignments started in class. Each spreadsheet problem will deal with a topic covered in class. The three mini-case spreadsheet
problems are worth 60 percent of your final grade. Each mini-case is due to me by 5 PM Friday June 16, 2006. Send them via email.

**Cases:**

There is one final case that will entail an analysis using the tools learned in class. This detailed write-up will be due by 5 PM Friday June 23, 2006 and is worth 35 percent of your course grade. Send it via email to me. This case is to be typed and sent in memo format using MS Word or a similar program.

All answers must be typed. Handwritten responses will not be accepted. Answers must be well organized and clearly articulate the thought process used to come to your conclusions. I find the memo format available in Microsoft Word is a good way to present your results. No Excel spreadsheets will be accepted, all work is to be contained in the memo. I reserve the right to reject any assignments that are disorganized or sloppy.

One of the most important skills you can gain is the ability to write accurate and well-organized reports or responses. In business, sloppiness is not tolerated. I will deduct up to 25% for disorganized and sloppy responses.

**Participation:**

Attending and participating in class discussion and being prepared is worth 5 percent of your course grade.

**Grade Scale:**

I will use “+” and “−” along with the standard letter grades to report your final grade. The grading scale is presented below and is after any curve.

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<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>A</td>
<td>A ≥ 93</td>
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<tr>
<td>A-</td>
<td>90 ≤ A- &lt; 93</td>
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<tr>
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</tbody>
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**Classroom Philosophy:**

**My Role:** My role will be to act as a facilitator. I will provide opportunity, structure and direction to facilitate your learning of fundamental concepts centered on the concepts of financial management. I will also provide you opportunities to begin
developing skills and experience useful to a teamwork approach utilized in many of today’s corporations.

Your Role: Your role is to engage in active learning, both individually and collectively. You will learn and apply important financial concepts while you gain experience working collaboratively with others to solve the problems. Your success in this class, as in life, will depend on both your effort and performance.

A Final Thought:

Over 2400 years ago Confucius said:

What I hear, I forget.
What I see, I remember.
What I do. I understand.

A wise and humble professor of mine at FSU modified Confucius’ statement to be more relevant in today’s classroom environment:

What I hear, I forget.
What I hear and see, I remember a little.
When I hear, see, and ask questions about or discuss with someone else, I begin to understand.
When I hear, see, discuss, and do, I acquire knowledge and skill.
When I teach to another I master.

Our goal is to learn. Let us all remain cognizant of how the process really works.

The faculty and staff of the School of Business Administration at The University of Montana-Missoula are committed to excellence in innovative experiential learning and professional growth through research and service.