Course Syllabus

COURSE TIMES AND LOCATIONS:

<table>
<thead>
<tr>
<th>Section 001</th>
<th>MW 1:30 p.m. – 2:45 p.m.</th>
<th>Innovation Hall 206</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 002</td>
<td>T 4:30 p.m. – 7:10 p.m.</td>
<td>Robinson Hall B228</td>
</tr>
<tr>
<td>Section 003</td>
<td>MW 12:00 p.m. – 1:15 p.m.</td>
<td>Robinson Hall B111</td>
</tr>
</tbody>
</table>

Instructor: Prof. Shelly L. Canterbury
Office: Enterprise Hall, Room 231
Office Hours: Walk in hours: MW 4:30 – 5:30 p.m.
            Appointment only hours: T 7:30 – 8:30 p.m
Email: scanterb@gmu.edu
Telephone: 703-993-1835 (however, the best way to reach me is through email)

PLEASE NOTE: THERE WILL BE NO OFFICE HOURS DURING THE FIRST WEEK OF SCHOOL.

Blackboard homepage: http://myMason.gmu.edu

Course Description and Prerequisites:

341 Introduction to Firm Valuation Prerequisites: FNAN 303; degree status (Formal admission into the School of Business). Examination of techniques for analyzing, understanding, and applying financial information in decision situations. Topics include financial statement analysis, development of financial models, and financial forecasting and valuation.

Course Materials:

1. Required: Financial Statement Analysis and Valuation, Fifth Edition, Peter Easton, Mary Lea McAnally, Greg Sommers, Xiao-Jun Zhang, Cambridge Business Publishers, 2018. Please note: I have a custom text for this publication available through the bookstore that contains only the chapters that are covered in this course (which results in a lower cost than the full textbook). You are expected to read the modules prior to class. I do not generally use lecture slides to review chapters; instead, I “flip” the classroom by working on problems, Excel, or cases to illustrate the concepts found in the textbook.

You also have the option of purchasing an ebook for $120, which provides you all supporting materials. The following site will provide you with purchase options: https://cambridgepub.com/book/financial-statement-analysis-valuation-5e#purchase
Earlier editions are NOT supported and are NOT recommended.

2. **Required:** *Understanding Corporate Annual Reports: A Financial Analysis Project, Seventh Edition*, William R. Pasewark, McGraw-Hill Irwin, 2009. I have ordered a Primus version that is available at the book store at a lower price. This workbook must be purchased because you complete it and turn it in for a grade.

3. **Required:** Use of Excel in this class will be extensive. Therefore, you should have a reasonable level of proficiency building spreadsheets with this application.

4. **Required:** Laptops are required for class exercises, projects, and exams.

5. **Required:** Oracle Crystal Ball simulation software application. We will be using this to analyze our forecasts and valuations towards the end of the semester. More information will be provided in Appendix C. Students will receive a free limited license for use in class. Please make sure that you read Appendix C regarding our license agreement with Oracle.

6. **Bloomberg terminal.** Bloomberg LP licenses computer software and services providing real-time financial data, news feeds, messages, and other market relevant data. The complex analysis capabilities offered through Bloomberg will allow you to quickly access company and industry data, analyze multi-year performance, and provide competitive analysis with a consolidated set of data. I will provide helpful instructions on Blackboard on how to create an account.

7. **Required:** Financial Analysis Simulation: Data Detective: There will be a financial analysis simulation that will be used during the first part of the semester. All students will be required to purchase the simulation from Harvard Business Publishing in order to complete and receive a grade. The link to the coursepack for this class is:

   [https://hbsp.harvard.edu/import/561291](https://hbsp.harvard.edu/import/561291)

8. **Other resources:** In any profession, the classroom is the “tip of the iceberg” and students who wish to excel in their careers do more than just attend classes, take exams, and complete projects. Although it is far from complete, I have provided additional readings and sites under the “Resources” folder on Blackboard. In the first week of class, please register for free investment resources and read them daily.

9. **Supplemental Material:** We will be using 10K (year end financials) reports to augment your learning experience in this class. I will provide links to its website on Blackboard and an online copy of the company’s latest 10K.

**Learning Goals (Competencies) for the Undergraduate Finance Major Program (approved by Finance Faculty, Spring 2015)**

Upon completing our undergraduate finance program, our majors will be competent in each of the following areas (highlighted goal is covered in FNAN341):

- Goal 1: Finance majors will be able to demonstrate, evaluate, and explain the risk-return trade-offs in finance.

- **Goal 2:** Finance majors will be able to conduct and effectively present financial analysis and research valuing complex projects, assets, securities, and firms.
Course Objectives for FNAN341 are:

Objective 1: understand the valuation process used to value equity securities
Objective 2: understand the intuitive concepts of financial analysis and apply them in forecasting and valuation.
Objective 3: understand the various valuation techniques required to determine the intrinsic value of the firm
Objective 4: think critically about the role of financial statements and business analysis for investment decisions
Objective 5: apply various analysis and valuation techniques using Excel
Objective 6: define finance problems in a critical way such that a solution is more readily apparent, clearly identified, and presented
Objective 7: provide a format that enables students to learn the tools of the trade
Objective 8: build a comprehensive Excel workbook that will progress through data collection, analysis, forecasting, and valuation using the concepts and tools provided in this course

This class can be challenging for students. You will be required to critically think about the information you read and research to make assumptions about a company’s ability to meet their short and long term strategies. These strategies are then converted into a five year forecast and articulated through the balance sheet, income statement, and cash flow statement in order to implement valuation methodologies to determine the intrinsic value of the firm. Answers will not be readily apparent nor given to you – you will have to apply what you have learned to come up with estimates and assumptions and realize that these are only estimates and will not be perfect. It is the process you will be learning throughout the semester. The product is the result of the process, and passing the class is centered on how well you understand the process and the underlying concepts. If you participate by attending class, actively listening and asking questions, reading the material, and applying the concepts through problems, you will do well in this class. What you will have at the end of the semester is a comprehensive product that you can use as a basis for analyzing other companies, and a personal accomplishment that you can include in your resume.

Learning Objectives for Module 1: Framework for Analysis and Valuation

Students will be able to:
1. Identify and discuss the users and suppliers of financial statement information.
2. Identify and explain the four financial statements, and define the accounting equation.
3. Describe business analysis within the context of a competitive environment.
4. Explain and apply the basics of profitability analysis.
Learning Objectives for Module 2: Review of Business Activities and Financial Statements

Students will be able to:
1. Describe and interpret the elements of and the information provided in financial statements.
2. Analyze and interpret transactions on financial statements.
3. Construct financial statements from account balances.

Learning Objectives for Module 3: Profitability Analysis and Interpretation

Students will be able to:
1. Compute return on equity (ROE) and disaggregate it into components of operating and nonoperating returns.
2. Disaggregate operating return (RNOA) into components of profitability and asset turnover.
3. Explain nonoperating return and compute it from return on equity and the operating return.
4. Describe and illustrate traditional DuPont disaggregation of ROE.
5. Explain the difference between the traditional DuPont disaggregation of ROE and modified disaggregation using RNOA and Financial Leverage.
6. Apply profitability analysis and interpretation for a semester assigned company.

Learning Objectives for Module 4: Credit Risk Analysis and Interpretation

Students will be able to:
1. Understand the demand for and supply of credit.
2. Explain the credit risk analysis process.
3. Perform a credit analysis, and compute and interpret measures of liquidity, solvency, and interest coverage.
4. Apply credit risk analysis and interpretation for a semester assigned company.

Learning Objectives for Module 11: Forecasting Financial Statements

Students will be able to:
1. Explain the process of forecasting financial statements.
2. Forecast revenues and the income statement.
3. Forecast the balance sheet.
4. Forecast the statement of cash flows.
5. Prepare multiyear forecasts of financial statements for a semester assigned company.

Learning Objectives for Module 12: Cost of Capital and Valuation Basics

Students will be able to:
1. Explain the basics of valuation, including intrinsic value, discounting and payoffs.
2. Explain and estimate the cost of equity capital.
3. Describe and estimate the cost of debt capital.
4. Explain and estimate the weighted average cost of capital (WACC).
5. Discuss the rationale, advantages and disadvantages of the dividend discount model.
6. Describe and apply the dividend discount model with a constant perpetuity.
7. Describe and apply the dividend discount model with an increasing perpetuity.
8. Apply the basic valuation concepts and dividend discount model for a semester assigned company (if the semester company does not pay dividends, another company will be used to apply the model).

Learning Objectives for Module 13: Cash-Flow-Based Valuation

Students will be able to:
1. Discuss equity valuation models and explain the information required to value equity securities.
2. Discuss the rationale, advantages and disadvantages of the discounted free cash flow model.
3. Describe and apply the discounted free cash flow model.
4. Apply the discounted free cash flow model for a semester assigned company.

Learning Objectives for Module 14: Operating-Income-Based Valuation

Students will be able to:
1. Describe and apply the residual operating income model to value equity securities.
2. Discuss the rationale, advantages and disadvantages of the residual operating income model.
3. Explain how equity valuation models can aid managerial decisions.
4. Apply the residual operating income model for a semester assigned company.

Learning Objectives for Module 15: Market-Based Valuation

Students will be able to:
1. Explain company valuation using market multiples based on balance sheet measures.
2. Explain company valuation using market multiples based on income statement measures.
3. Identify comparable companies for use in company valuation with market multiples.
4. Interpret and reverse-engineer market multiples to assess the reliability of market expectations.
5. Apply market-based valuation multiples for a semester assigned company.

Course Outline/Schedule:
The course outline/schedule is tentative and may be changed over the course of the semester. I will notify you of any changes via email and a revised schedule on Blackboard. It can be found at the end of the syllabus in Appendix A.

Honor Code:
You are encouraged to work with other students to better understand the material. It is permissible for you to establish study groups to review textbook chapters, lecture notes and problem solutions. However, the exams are to be your individual work. Students are expected to know and follow the GMU Honor Code which can be found at https://oai.gmu.edu/mason-honor-code/full-honor-code-document/. No collaboration is allowed during in-class
All cheating in any form will result in an honor code violation accusation. Please see Appendix F for the School of Business Recommendations for Honor Code Violations (Adopted by the faculty May 2012)

University Office of Disability Services:
If you have a disability or situation of which I need to be aware, please schedule a time to discuss this with me at the beginning of the semester. If any accommodations are to be made, disabilities must be documented with the Office of Disability Services (ODS). The mission of the ODS at George Mason University is to facilitate equal access for students with disabilities to university programs, events, and services. The ODS is located in the Student Union Building 1, Suite 2500, or consult their web site at https://ds.gmu.edu/.

Performance Evaluation:

<table>
<thead>
<tr>
<th>Course Component</th>
<th>Points</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam 1</td>
<td>100</td>
<td>10%</td>
</tr>
<tr>
<td>Exam 2</td>
<td>100</td>
<td>20%</td>
</tr>
<tr>
<td>Exam 3 – Final Exam</td>
<td>100</td>
<td>35%</td>
</tr>
<tr>
<td>Pasewark Workbook</td>
<td>100</td>
<td>10%</td>
</tr>
<tr>
<td>Bloomberg projects</td>
<td>100</td>
<td>5%</td>
</tr>
<tr>
<td>Bloomberg Market Concepts</td>
<td>100</td>
<td>5%</td>
</tr>
<tr>
<td>Graded homework</td>
<td>100</td>
<td>5%</td>
</tr>
<tr>
<td>Quizzes</td>
<td>100</td>
<td>5%</td>
</tr>
<tr>
<td>Financial Analysis Simulation</td>
<td>100</td>
<td>5%</td>
</tr>
</tbody>
</table>

Your final grade for the class is a weighted score based on the weights provided above. You cannot sum up the total points that you have earned and divide it into 900 points.

Examinations:
All examinations are to be taken individually and will include a take home portion and an in-class portion which will consist of short answer, essay, and quantitative questions. Exams 1 and 2 will last one hour and fifteen minutes; Exam 3 will be your final exam and will last two hours. Each exam builds on concepts from the prior exam; therefore; there is an increasing value to subsequent exams. You are encouraged to form study groups, but no collaboration will be allowed during the exams. Additional information will be provided to you prior to each exam. Spreadsheets that are due for the exam will be turned in the Sunday preceding the exam date.

You must take the final exam at the University-assigned times for your lecture section. The final exam dates and times for each lecture section are listed in this syllabus and on the Registrar’s homepage. However, due to possible scheduling conflicts with other GMU final exams or other excused reasons, students may be given permission to take their final at an alternative time, which is typically with one of the other lecture sections of FNAN 341. Anticipated conflicts, such as those with other GMU final exams, must be raised with me and resolved by 5:00 pm on Monday, December 3, 2018. Appendix E provides more information on the steps necessary to receive permission to take the final at an alternative time.
Pasewark Workbook:
As a supplement and learning tool, you will be required to complete the published required workbook, Understanding Corporate Annual Reports: A Financial Analysis Project, Seventh Edition, William R. Pasewark, McGraw-Hill Irwin, 2009. This workbook will correspond to the company that we use for the class example. I will provide you information on this project in class. Please see the course schedule to determine the due date for this workbook.

Participation:
Regular attendance and participation is essential for success in this class. Not only will examination questions be taken from class discussions, but participation is an important part of the class experience. The course can prove challenging for some students. Coming to class will help you understand the material better. There is no participation grade in this class this semester. Come to class because you want to learn.

Who Are You (Appendix B):
You are required to download and print Appendix B and type the information requested, including a recognizable photograph of yourself. Please submit it hard copy only by September 11th (Tuesday class) or September 12th (M/W class). I will use this information to get to know you (and will also be used for future recommendation letters, etc). This form is required and is worth 5 points towards your first exam grade. IT WILL NOT BE ACCEPTED LATE FOR ANY REASON.

Bloomberg Market Concepts Certification:
Bloomberg terminals are widely used in finance. We have terminals installed in Enterprise 076 for use by students in the School of Business. Bloomberg Institute has created a certification application available on the Bloomberg terminals, called Bloomberg Market Concepts (BMC). This tool is teaches finance using Bloomberg terminal content. BMC is an 8 hour web-based, self-paced introduction to finance woven from 70 Bloomberg terminal functions, Bloomberg News and Bloomberg Television. It covers four topics: Economic Indicators, Currencies, Fixed Income and Equities. BMC can be accessed FREE on the Bloomberg terminals installed in Enterprise 076 (Fairfax Campus) or Founders Hall (Arlington Campus). By taking BMC, you will:
• Learn the language of finance
• Discover the inner workings of the markets
• Get Bloomberg on your resume with the BMC designation

IMPORTANT INFORMATION ABOUT THE BMC: Once you have created a user name and profile on the terminals, you can access BMC by typing (at the blue prompt) BMC <GO>. The system will prompt you with registration information to start the modules. In order for you to receive credit for taking the certification, you will need to enter the course code: 2ZGV6LJ9BN
This course code has been created to track and provide credit to students completing the certification. Only students that are registered using the course code will receive credit. (You may use this course code whether you decide to use the terminals or purchase the access.) Certification is required to be completed by October 14th at 11:59 PM. The grade you receive
will be the score that you earn for the BMC. In other words, this is NOT a completion grade.

Bloomberg projects:
Bloomberg terminals are widely used in finance. We have terminals installed in Enterprise 076 for use by students in the School of Business. There will be approximately three (3) projects assigned using the terminals for research over the course of the semester. Bloomberg scores will be added up and divided into the total possible points to determine a relative score out of 100 for your final homework score.

Homework:
There will be several graded homework assignments during the term. You may work with others when solving the problems; however, each student must submit his/her own set of solutions for grading. In addition, non-graded end-of-module problems may be assigned to stimulate class discussions and prepare for exams. Graded homework scores will be added up and divided into the total possible points to determine a relative score out of 100 for your final homework score.

Quizzes:
There will be a few in-class quizzes throughout the course. Some quizzes may not be announced ahead of time, and there are NO MAKE UP QUIZZES if you are absent. A missed quiz is a grade of zero. The lowest quiz score will be dropped. Quiz scores will be added up and divided into the total possible points to determine a relative score out of 100.

Communication:
Please use your GMU email account that identifies you by name for course work and correspondence. The easiest way to communicate with me outside of class is via email at scanterb@gmu.edu. You can generally expect a reply within one business day (defined as Monday through Friday). I may not respond to emails over the weekend.
Course Grading:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Range</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+</td>
<td>&gt;=97.5%</td>
<td>4.00</td>
</tr>
<tr>
<td>A</td>
<td>92.5% – 97.4%</td>
<td>4.00</td>
</tr>
<tr>
<td>A-</td>
<td>89.5% – 92.4%</td>
<td>3.67</td>
</tr>
<tr>
<td>B+</td>
<td>86.5% – 89.4%</td>
<td>3.33</td>
</tr>
<tr>
<td>B</td>
<td>82.5% – 86.4%</td>
<td>3.00</td>
</tr>
<tr>
<td>B-</td>
<td>79.5% – 82.4%</td>
<td>2.67</td>
</tr>
<tr>
<td>C+</td>
<td>76.5% – 79.4%</td>
<td>2.33</td>
</tr>
<tr>
<td>C</td>
<td>69.5% – 76.4%</td>
<td>2.00</td>
</tr>
<tr>
<td>D</td>
<td>59.5% – 69.4%</td>
<td>1.00</td>
</tr>
<tr>
<td>F</td>
<td>&lt;59.5%</td>
<td>0.00</td>
</tr>
</tbody>
</table>

The grade you receive is entirely your responsibility. Weighted average final number grades will result in the associated letter grades noted above. Rounding to the nearest 1/10th of 1% or one decimal place will occur (e.g., 79.6 = B-). I may curve individual exams. If I do decide to curve exams, there may be an overall curve for students on a section by section basis. You are responsible for tracking your grade progress on Blackboard.

Final grades will not be posted on Blackboard. You can access Patriot Web for final grades approximately 48 hours after the last section has completed their exams (for fall 2018, the last section takes their exam on December 18th). I do not negotiate exam grades nor final grades. Once posted, they are final.

SUMMARY OF IMPORTANT DATES:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>First day of classes</td>
<td>August 27</td>
</tr>
<tr>
<td>Labor Day, university closed</td>
<td>September 3</td>
</tr>
<tr>
<td>Last day to add classes—all individualized section forms due</td>
<td>September 4</td>
</tr>
<tr>
<td>Final Drop Deadline with no tuition penalty</td>
<td>September 9</td>
</tr>
<tr>
<td>Selective Withdrawal Period (undergraduate students only)</td>
<td>October 1 - October 28</td>
</tr>
<tr>
<td>Columbus Day recess (Monday classes/labs meet Tuesday. Tuesday classes do not meet this week)</td>
<td>October 8</td>
</tr>
<tr>
<td>Thanksgiving recess</td>
<td>November 21 - November 25</td>
</tr>
<tr>
<td>Last day of classes</td>
<td>December 8</td>
</tr>
</tbody>
</table>

Final Exams:

- **Section 001:** Wednesday, December 12, 1:30 PM – 4:00 PM
- **Section 002:** Tuesday, December 18, 4:30 PM – 7:00 PM
- **Section 003:** Monday, December 17, 10:30 AM – 1:00 PM

Please refer to official final exam schedule posted on Blackboard and available on the Mason website.
School of Business Community Standards of Behavior:
The mission of the School of Business at George Mason University is to create and deliver high quality educational programs and research. Students, faculty, staff, and alumni that participate in these educational programs contribute to the well-being of society. High quality educational programs require an environment of trust and mutual respect, free expression and inquiry, and a commitment to truth, excellence, and lifelong learning. Students, program participants, faculty, staff, and alumni accept these principles when they join the School of Business community. In doing so, they agree to abide by the following Community Standards of Behavior:

- Respect for the rights, differences, and dignity of others
- Honesty and integrity in dealing with all members of the community
- Accountability for personal behavior

Integrity is an essential ingredient of a successful learning community. Ethical standards of behavior help promote a safe and productive community environment, and ensure every member the opportunity to pursue excellence.

The School of Business can and should be a living model of these behavioral standards. To this end, community members have a personal responsibility to integrate these standards into every aspect of their experience at the School of Business. Through our personal commitment to these Community Standards of Behavior, we can create an environment in which all can achieve their full potential.
Mason Diversity Statement

George Mason University promotes a living and learning environment for outstanding growth and productivity among its students, faculty and staff. Through its curriculum, programs, policies, procedures, services and resources, Mason strives to maintain a quality environment for work, study and personal growth.

An emphasis upon diversity and inclusion throughout the campus community is essential to achieve these goals. Diversity is broadly defined to include such characteristics as, but not limited to, race, ethnicity, gender, religion, age, disability, and sexual orientation. Diversity also entails different viewpoints, philosophies, and perspectives. Attention to these aspects of diversity will help promote a culture of inclusion and belonging, and an environment where diverse opinions, backgrounds and practices have the opportunity to be voiced, heard and respected.

The reflection of Mason’s commitment to diversity and inclusion goes beyond policies and procedures to focus on behavior at the individual, group and organizational level. The implementation of this commitment to diversity and inclusion is found in all settings, including individual work units and groups, student organizations and groups, and classroom settings; it is also found with the delivery of services and activities, including, but not limited to, curriculum, teaching, events, advising, research, service, and community outreach.

Acknowledging that the attainment of diversity and inclusion are dynamic and continuous processes, and that the larger societal setting has an evolving socio-cultural understanding of diversity and inclusion, Mason seeks to continuously improve its environment. To this end, the University promotes continuous monitoring and self-assessment regarding diversity. The aim is to incorporate diversity and inclusion within the philosophies and actions of the individual, group and organization, and to make improvements as needed.
The schedule below reflects expected class progress in course subject matter and is considered **tentative**. The schedule is subject to change in content and scope at the instructor's discretion.

<table>
<thead>
<tr>
<th>DAY</th>
<th>DATE</th>
<th>Section 001, 003</th>
<th>Section 002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday/Tuesday</td>
<td>August 27/28</td>
<td>Syllabus, class schedule, and finance/accounting assessment</td>
<td>Syllabus, class schedule, and finance/accounting assessment; Module 1: Framework for Analysis and Valuation</td>
</tr>
<tr>
<td>Wednesday</td>
<td>August 29</td>
<td>Module 1: Framework for Analysis and Valuation</td>
<td></td>
</tr>
<tr>
<td>Monday/Tuesday</td>
<td>September 3/4</td>
<td>Labor Day Holiday - No class</td>
<td>Module 2: Review of Business Activities and Financial Statements; Visit the Bloomberg Lab</td>
</tr>
<tr>
<td>Wednesday</td>
<td>September 5</td>
<td>Module 2: Review of Business Activities and Financial Statements</td>
<td></td>
</tr>
<tr>
<td>Monday/Tuesday</td>
<td>September 10/11</td>
<td>Visit the Bloomberg Lab</td>
<td>Module 3: Profitability Analysis and Interpretation</td>
</tr>
<tr>
<td>Wednesday</td>
<td>September 12</td>
<td>Module 3: Profitability Analysis and Interpretation</td>
<td></td>
</tr>
<tr>
<td>Monday/Tuesday</td>
<td>September 17/18</td>
<td>Pasewark Book Due</td>
<td>Pasewark Book Due</td>
</tr>
<tr>
<td>Wednesday</td>
<td>September 19</td>
<td>Module 4: Credit Risk analysis and Interpretation</td>
<td></td>
</tr>
<tr>
<td>Monday/Tuesday</td>
<td>September 24/25</td>
<td>Module 4: Credit Risk analysis and Interpretation</td>
<td>Introduction to Forecasting Forecasting Financial Statements</td>
</tr>
<tr>
<td>Wednesday</td>
<td>September 26</td>
<td>Introduction to Forecasting</td>
<td></td>
</tr>
<tr>
<td><strong>Monday/Tuesday</strong></td>
<td><strong>October 1/2</strong></td>
<td><strong>Exam 1</strong></td>
<td><strong>Exam 1</strong>: Forecasting Financial Statements</td>
</tr>
<tr>
<td>Wednesday</td>
<td>October 3</td>
<td>Module 11: Forecasting Financial Statements</td>
<td></td>
</tr>
<tr>
<td><strong>Tuesday</strong></td>
<td><strong>October 9</strong></td>
<td>Module 11: Forecasting Financial Statements</td>
<td>No class (Monday classes meet on Tuesday)</td>
</tr>
<tr>
<td>Wednesday</td>
<td>October 10</td>
<td>Module 11: Forecasting Financial Statements</td>
<td></td>
</tr>
<tr>
<td>Monday/Tuesday</td>
<td>October 15/16</td>
<td>Module 11: Forecasting Financial Statements</td>
<td>Module 11: Forecasting Financial Statements</td>
</tr>
<tr>
<td>Wednesday</td>
<td>October 17</td>
<td>Finalize Forecasts</td>
<td></td>
</tr>
<tr>
<td>Monday/Tuesday</td>
<td>October 22/23</td>
<td>Module 12: Cost of Capital and Valuation Basics</td>
<td>Finalize Forecasts</td>
</tr>
<tr>
<td>Wednesday</td>
<td>October 24</td>
<td>Module 12: Cost of Capital and Valuation Basics</td>
<td></td>
</tr>
</tbody>
</table>
Appendix A (cont’d)

FNAN 341 - 001, 002, 003 COURSE OUTLINE - FALL 2018

The schedule below reflects expected class progress in course subject matter and is considered tentative. The schedule is subject to change in content and scope at the instructor's discretion.

<table>
<thead>
<tr>
<th>DAY</th>
<th>DATE</th>
<th>Section 001, 002</th>
<th>Section 003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wednesday</td>
<td>October 31</td>
<td>Module 13: Operating-Income-Based Valuation (DCF)</td>
<td></td>
</tr>
<tr>
<td><strong>Monday/Tuesday</strong></td>
<td>November 5/6</td>
<td><strong>Exam 2</strong></td>
<td><strong>Exam 2:</strong> Module 13: Operating-Income-Based Valuation (DCF)</td>
</tr>
<tr>
<td>Wednesday</td>
<td>November 7</td>
<td>Module 14: Operating-Income-Based Valuation</td>
<td></td>
</tr>
<tr>
<td><strong>Monday/Tuesday</strong></td>
<td>November 12/13</td>
<td>Module 14: Operating-Income-Based Valuation</td>
<td>Module 14: Operating-Income-Based Valuation</td>
</tr>
<tr>
<td>Wednesday</td>
<td>November 14</td>
<td>Module 15: Market-Based Valuation</td>
<td></td>
</tr>
<tr>
<td><strong>Monday/Tuesday</strong></td>
<td>November 19/20</td>
<td>Module 15: Market-Based Valuation Introduction Final Case</td>
<td>Module 15: Market-Based Valuation Introduction to Final Case</td>
</tr>
<tr>
<td>Wednesday</td>
<td>November 21</td>
<td>Thanksgiving recess - no class</td>
<td></td>
</tr>
<tr>
<td><strong>Monday/Tuesday</strong></td>
<td>November 26/27</td>
<td>Analysis of Valuation (Using Crystal Ball and other tools)</td>
<td>Analysis of Valuation (Using Crystal Ball and other tools) Questions on Final Case</td>
</tr>
<tr>
<td>Wednesday</td>
<td>November 28</td>
<td>Analysis of Valuation (Using Crystal Ball and other tools)</td>
<td></td>
</tr>
<tr>
<td><strong>Monday/Tuesday</strong></td>
<td>December 3/4</td>
<td>Wrap up Questions on Mercury Athletic</td>
<td>Wrap up and case discussion</td>
</tr>
<tr>
<td>Wednesday</td>
<td>December 5</td>
<td>Wrap up and case discussion</td>
<td></td>
</tr>
<tr>
<td>Wednesday</td>
<td>December 12, 2018</td>
<td><strong>Exam 3:</strong> Section 001: 1:30PM – 4:00PM; Comprehensive</td>
<td></td>
</tr>
<tr>
<td><strong>Monday</strong></td>
<td>December 17, 2018</td>
<td><strong>Exam 3:</strong> Section 003: 10:30AM – 1:00PM; Comprehensive</td>
<td></td>
</tr>
<tr>
<td><strong>Tuesday</strong></td>
<td>December 18, 2018</td>
<td></td>
<td>Exam 3: Section 002: 4:30PM – 7:00PM; Comprehensive</td>
</tr>
</tbody>
</table>
Appendix B
WHO ARE YOU?

Please clearly print all the information below. You may also download this page from the course website and type the information requested. Please detach this page and submit it **hard copy only** by September 11\(^{th}\) (Tuesday class) or September 12\(^{th}\) (M/W class). I will use this information to get to know you (and will also be used for future recommendation letters, etc). **This form is required and is worth 5 points towards your first exam grade. IT WILL NOT BE ACCEPTED LATE FOR ANY REASON.**

Your Name: ___________________________________________________________

The purpose of this page is to introduce yourself to me. Please begin by including a photograph of yourself below. Please make sure that your photograph clearly shows your face. You may include a copy of a photograph but please make sure that your face is clearly distinguishable.

Please copy/include your photo here.

Please tell me three things about you. One should be personal, one should be academic (including your anticipated graduation), and one should be professional. If you are not currently working, your professional comment should be related to your professional plans. Write on the back if you need additional space.

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To: FNAN 341 Class

From: Shelly Canterbury

Re: Crystal Ball Software Package Availability

Crystal Ball is a software package that runs on top of Excel and allows you to conduct simulations of possible outcomes based upon the basic Excel model you have developed this semester. Over the last years, we have been using Crystal Ball in our class to test the forecasting assumptions that we used to value our companies. The School of Business has provided us with an extended license for the semester through an agreement with Oracle (Crystal Ball is an Oracle product).

Background: In 2008 it was reported that Crystal Ball was in use in 85% of the Fortune 500 companies in the U.S. and equally important that most of the top 50 ranked MBA programs were making it available to their students. While my interest is primarily in its finance applications, there are also many impressive applications for operations management, marketing, and managerial accounting. It is an invaluable tool for demonstrating your understanding of forecasting and valuation to prospective employers.

My experience in prior semesters with my FNAN 341 students has been that an introductory tutorial is an effective way to quickly get started actually using Crystal Ball. I will be introducing and providing a tutorial on Crystal Ball once we get our valuation models in place.

Crystal Ball has been developed to run on a Windows based operating system. If you are using an Apple laptop and also have Windows installed, I understand that Crystal Ball works. If you do not have Windows installed, it will not work.

I do have one important request. We have one user name and serial number for everyone. Our licensing agreement with Oracle is with the understanding that we use Crystal Ball with the students and faculty that we have paid for. Please do not forward this username and license code to others. Violation of this will cause Oracle to cancel their agreement with us, to the detriment of the university.

Thank you and I hope that you will discover the power of this application and its use in finance.

Instructions for Downloading Oracle Crystal Ball can be found under the Crystal Ball folder on Blackboard (make sure that you choose the 32-bit version).
To: FNAN 341 Class

From: Shelly Canterbury

Re: Bloomberg Terminals

In the fall of 2011, Bloomberg terminals were installed in Enterprise Hall, room 076 for use by undergraduate and graduate students enrolled in the School of Business.

Bloomberg provides a subscription to high-performance financial, regulatory, and market databases. Analysts and investors can access, crunch, analyze, and store information on companies, bonds, mortgages, currencies, etc., as well as monitor news releases, stock and bond markets, and any number of activities in the financial world.

Enterprise Hall is generally accessible throughout the day and evening (Monday – Sunday). FNAN 341 will have a separate access code for security reasons. If the equipment is damaged or missing, we will be able to monitor who had last use of the lab. The School of Business will prosecute students for damage or theft.

There will be assignments throughout the semester which will require the use of the Bloomberg terminal and databases. These assignments will be to help students complete their analysis in support of exams and homework.

There are some basic rules that I would like for you to follow so that we can continue the use of Bloomberg in the School of Business. Theft or misuse of the terminals could result in the School of Business NOT renewing our licenses.

1. Use only your door access code to get into the Bloomberg terminal room and do not share your code with others.
2. The terminals are for Bloomberg use only.
3. Log out when you have finished using the system.
4. The terminals are for academic use only (in other words, you are not to do work for an employer).
5. Be respectful of the computers, keyboards, and monitors. If damaged, they will not be replaced.
6. Do not eat or drink while using the Bloomberg terminals.
7. Keep the Bloomberg lab clean (throw away your trash) and do not move the terminals or furniture.
8. Report misuse or theft to either the Dean’s office or me.

These are simple rules to have access to one of the most powerful research tools in finance. Take advantage of this resource and opportunity. It is an invaluable tool for demonstrating your understanding of research and valuation to prospective employers.
Rescheduling the final exam when you have 3 or more exams on the same day

To schedule the final exam at an alternative time because you have 3 or more final exams scheduled on the same day, you need to provide me with the following three items:

1) A copy of the GMU final exam schedule that clearly indicates (highlighting works well) the 3 (or more) exams that you have on the same day. The final exam schedule can be found at:

   https://registrar.gmu.edu/calendars/fall-2018/final-exams/

2) A copy of your class schedule from Patriot Web that clearly indicates (highlighting works well) the 3 (or more) courses that have your final on the same day.

3) A filled-out, change-of-final-exam-request form. The rescheduled time for the final should be filled in by you and should be one of the times assigned to one of the other sections of FNAN 341 for its final exam. You should let me know if this rescheduling preference can not be met without you having 3 (or more) exams on the same day. The change-of-final-exam-request form can be found at:


Once all three items have been provided to me and the conflict is evaluated and confirmed, I will fill out the relevant parts of the change-of-final-exam-request form and return it to you, who can then submit the form for final approval to the School of Business Academic and Career Services office in room 008 of Enterprise Hall.

Conflicts due to other classes having final exams at times that are inconsistent with the GMU final exam schedule, such as with a common exam for a course, are not grounds for rescheduling the FNAN 341 final exam.

Anticipated conflicts, such as those with other GMU final exams, must be raised with me and resolved by **5:00 pm on Monday, December 3, 2018**. If a conflict is not resolved with me by this time, then you will be expected to take the final with your FNAN 341 lecture section at the GMU-assigned time for that section. Moreover, if your request to take the final at an alternative time is not officially approved by the School of Business, then you will be expected to take the final with your lecture section at the GMU-assigned time for that section.
## School of Business Recommendations for Honor Code Violations

*Adopted by the faculty May 2012*

**UG-Non Freshman Students (including transfer students)**

<table>
<thead>
<tr>
<th>Type of Violation</th>
<th>First Offense</th>
<th>Second Offense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plagiarism—failure to cite/attribute sources</td>
<td>An F in the class; multiple visits to the Writing Center required; and Academic Integrity Seminar Attendance</td>
<td>An F in the class; multiple visits to the Writing Center required; Academic Integrity Seminar Attendance; dismissal from the program; and possible suspension or expulsion</td>
</tr>
<tr>
<td>Plagiarism—representing someone else’s work as the student’s own</td>
<td>An F in the class; multiple visits to the Writing Center required; and Academic Integrity Seminar Attendance</td>
<td>An F in the class; multiple visits to the Writing Center required; Academic Integrity Seminar Attendance (at times of hearing and reenrollment if relevant); dismissal from the program; and possible suspension or expulsion</td>
</tr>
<tr>
<td>Cheating on an assignment, homework, class participation, or minor project</td>
<td>An F in the class; and Academic Integrity Seminar Attendance</td>
<td>Expulsion</td>
</tr>
<tr>
<td>Cheating on a major project, test, or exam</td>
<td>An F in the class; Academic Integrity Seminar Attendance; and at least one semester suspension</td>
<td>Expulsion</td>
</tr>
<tr>
<td>Egregious Violation [e.g., stealing an exam; submitting coursework from another class as original work; lying to an employer about academic performance]</td>
<td>Dismissal from the program; at least one year suspension; and attendance at Academic Integrity Seminar at the time of hearing and just prior to reenrollment</td>
<td>Expulsion</td>
</tr>
</tbody>
</table>