Syllabus: FNAN 341 (Introduction to Firm Valuation), Fall 2019
Updated August 23, 2019
The syllabus will be updated throughout the semester to provide more clarity and thoroughness

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Office hours: M: 4:15 pm – 5:00 pm
T: 3:00 pm – 4:00 pm
R: 1:30 pm – 2:30 pm
and by appointment

<table>
<thead>
<tr>
<th>Section</th>
<th>Day and time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>FNAN 341-001</td>
<td>Monday: 1:30 pm – 4:10 pm</td>
<td>Innovation Hall 208</td>
</tr>
<tr>
<td>FNAN 341-002</td>
<td>Tuesday: 4:30 pm – 7:10 pm</td>
<td>Planetary Hall 122</td>
</tr>
<tr>
<td>FNAN 341-003</td>
<td>Tuesday: 7:20 pm – 10:00 pm</td>
<td>Peterson Hall 1105</td>
</tr>
</tbody>
</table>

Prerequisites
Grade of B- or higher in FNAN 303 or equivalent

Course philosophy and approach
In FNAN 341, students are treated as individuals who want to learn and develop useful tools and knowledge to facilitate professional success. The focus of the course is on helping students develop relevant skills that would be valued by potential employers. There will be a lot of time spent in class doing “hand-on” activities.

Regular attendance and participation are essential for success in this class and is an important part of the educational experience. The course can prove challenging for some students and coming to class will help you understand the material better.

I expect every member of our classroom community to be respectful to each other. Therefore, none of us should engage in activities unrelated to class. Such behavior shows a lack of professionalism, inhibits our ability to pay attention, and distracts others.

Honor code statement
Students are expected to know and adhere to the GMU Honor Code, which deals with actual and attempted acts of cheating, plagiarism, lying, and stealing. Suspected, possible, or potential violations of the Honor Code will be reported to the Honor Committee. More detail on the Honor Code, academic integrity expectations, and classroom behavior standards can be found at
Appendix B presents a matrix with typical sanction recommendations for non-freshman undergraduates that was approved by the School of Business faculty and that serves as our guide in this course. Appendix C includes a discussion “good” and “bad” classroom behavior, academic integrity and the Honor Code statement, and the GMU diversity statement.

In this class, students are frequently allowed and encouraged to work with each other to better learn and understand the material. In addition, students may establish study groups to review material, work on assignments, and prepare for exams.

However, exams must be completed completely without assistance or collaboration. In cases such as assignments, where collaboration is allowed, each member of a team must actively participate and contribute to the joint effort. Students cannot simply copy or receive (or provide) answers. Students are responsible for knowing what constitutes cheating or a different Honor Code violation and are encouraged to talk with the professor if they are doing any type of collaborative work to make sure it is not a violation of the Honor Code.

**Course description, objectives, and goals**

Topics covered in FNAN 341 include financial statement analysis, the development of financial models, and the application of valuation techniques. The course objectives for FNAN 341 are for students to:

**Objective 1:** Understand and apply various valuation techniques to determine the value of a firm and its equity

**Objective 2:** Understand the intuitive concepts of financial analysis and apply them to forecasting and valuation

**Objective 3:** Think critically about the role of financial statements and business analysis for investment decisions

**Objective 4:** Apply various analysis and valuation techniques using Excel

**Objective 5:** Define finance problems in a critical way such that a solution is more readily apparent, clearly identified, and presented

**Objective 6:** Build a comprehensive Excel workbook that will progress through data collection, analysis, forecasting, and valuation using the concepts and tools provided in this course

**Objective 7:** Strengthen their ability to communicate complex concepts and analysis orally, graphically, and in writing in a clear and meaningful way

**Required / strongly recommended items**

Required items (that must be purchased)

1. **Understanding Corporate Annual Reports: A Financial Analysis Project, Seventh Edition,** William R. Pasewark, McGraw-Hill Irwin, 2009. This workbook is available at the GMU bookstore. Note that Shelly Canterbury’s name is listed on the front. It must be purchased because it will be turned in for a grade.

2. **Financial Analysis Simulation: Data Detective:** We will use a financial analysis simulation (Data Detective) during week 3 of the term. All students are required to purchase the simulation from Harvard Business Publishing (the price should be $10) in order to receive a grade. The link to the coursepack for this class is: [https://hbsp.harvard.edu/import/650223](https://hbsp.harvard.edu/import/650223).
3. **ExPrep.** This is a subscription-based platform that automates the grading of Excel spreadsheets. We will be using this for exams and at least one assignment (and possibly more). To encourage students to acquire their subscription and ensure that the system is working, there will likely be at least one small assignment due before the first exam.

It is important that students register for the correct section, so they have access to the relevant materials. If a student does not have a subscription, their exams may not be graded or may be graded with a deduction. Here are instructions for registering:

For FNAN 341-001, which meets Monday, 1:30 pm – 4:10 pm, go to the ExPrep Portal: [https://portal.excelpreparation.com/Class/Register?c=1228&cl=105](https://portal.excelpreparation.com/Class/Register?c=1228&cl=105)

For FNAN 341-002, which meets Tuesday, 4:30 pm – 7:10 pm, go to the ExPrep Portal: [https://portal.excelpreparation.com/Class/Register?c=1229&cl=105](https://portal.excelpreparation.com/Class/Register?c=1229&cl=105)

For FNAN 341-003, which meets Tuesday, 7:20 pm – 10:00 pm go to the ExPrep Portal: [https://portal.excelpreparation.com/Class/Register?c=1230&cl=105](https://portal.excelpreparation.com/Class/Register?c=1230&cl=105)

**Strongly encouraged items (that can be purchased)**

4. **Business Valuation Demystified,** Edward Nelling, McGraw-Hill Education. This short book discusses concepts in and approaches to financial analysis and valuation in a simple, straightforward way. Some exam questions may be similar to questions from the book that are relevant to the course, but not necessarily covered in class.

5. **Corporate Finance Institute on-line courses.** CFI offers very useful courses (videos & exercises) on all aspects of financial analysis and valuation. We will be referencing several courses, as they provide great references, especially for modeling with Excel. To gain access to the material, students should go to the following link and register:

   [https://courses.corporatefinanceinstitute.com/users/sign_in](https://courses.corporatefinanceinstitute.com/users/sign_in)

   The firm is providing us with special pricing ($60 for 5 courses, in addition to 2 free courses that we will use). At checkout, you will need to enter the coupon code GeorgeMasonU to get the substantially reduced price. For now, the special pricing is good until November 1, 2019. As of August 23, CFI was still working on activating the special GMU bundle. This syllabus will be modified when I learn that the bundle is ready.

**Other required items**

6. **Bloomberg Account.** Bloomberg 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 enables people to quickly access company and industry data, analyze performance, and provide competitive analysis. Instructions on how to create an account are posted in the “Bloomberg Information” folder on Blackboard.

7. **Laptop with Excel and Internet connection.** We will use Excel extensively in this course. Many in-class exercises, assignments, and/or exams will require the use of Excel. The ability to connect to on-line resources is important as well.
8. **Blackboard:** Students must have access to Blackboard, an on-line course management system that enables students to receive messages, observe grades, and access course material such as overheads, problems, solutions, notes and corrections, and other relevant material. Blackboard pages can be accessed through http://mymason.gmu.edu. Blackboard also includes a discussion board, which students are encouraged to use to communicate about course-related issues. Students should not use the email feature associated with Blackboard.

A folder on Blackboard titled “Assignments & other deliverables” may be particularly useful for tracking what’s due each week.

9. **GMU email account:** Students are expected to have their GMU email accounts activated, regularly check their inboxes, and keep adequate space available so that they can receive (and, of course, read) emails. Note that to help ensure privacy, faculty and students need to use their GMU email accounts when corresponding with each other. See http://masonlive.gmu.edu for more information.

**Course schedule**
The course schedule is tentative and may be changed during the semester. Any changes will be motivated by my goal of creating the best student learning experience I can. If changes are made, I will notify you via email and a revised schedule on Blackboard. I do not plan to change the days of any exams. The relevant schedule for the course is presented in Appendix A.

**Grading**
Student scores on various graded components, which are all out of 100 points, are each multiplied by the relevant weight from the following table and the resulting sum, plus any extra credit earned, is the numeric grade for the course that determines the letter grade for the course.

<table>
<thead>
<tr>
<th>Course Component</th>
<th>Weight of numeric grade for the course</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-class exercises</td>
<td>14%</td>
</tr>
<tr>
<td>Data Detective simulation</td>
<td>2%</td>
</tr>
<tr>
<td>Assignments</td>
<td>12%</td>
</tr>
<tr>
<td>Midterm</td>
<td>22%</td>
</tr>
<tr>
<td>Final</td>
<td>22%</td>
</tr>
<tr>
<td>Pasewark Project</td>
<td>4%</td>
</tr>
<tr>
<td>2 news presentations</td>
<td>6% (3% each)</td>
</tr>
<tr>
<td>Group valuation project</td>
<td>17%</td>
</tr>
<tr>
<td>“Who are you?” form</td>
<td>1%</td>
</tr>
</tbody>
</table>

Letter grades for the course are determined by numeric grades for the course and the ranges described in the following table:
<table>
<thead>
<tr>
<th>Grade</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+</td>
<td>98.0 or greater</td>
</tr>
<tr>
<td>A</td>
<td>94.0 – 97.9</td>
</tr>
<tr>
<td>A-</td>
<td>90.0 – 93.9</td>
</tr>
<tr>
<td>B+</td>
<td>87.0 – 89.9</td>
</tr>
<tr>
<td>B</td>
<td>83.0 – 86.9</td>
</tr>
<tr>
<td>B-</td>
<td>80.0 – 82.9</td>
</tr>
<tr>
<td>C+</td>
<td>77.0 – 79.9</td>
</tr>
<tr>
<td>C</td>
<td>70.0 – 76.9</td>
</tr>
<tr>
<td>D</td>
<td>60.0 – 69.9</td>
</tr>
<tr>
<td>F</td>
<td>59.9 or less</td>
</tr>
</tbody>
</table>

Numeric grades for the course are rounded up to the nearest tenth (1 decimal place) and final letter grades are based on the rounded figure. For example, 89.9001 would round up to 90.0, which would be an A-, but 89.9000 would round up to 89.9, which would be a B+. Grades for individual components are rounded up to the nearest whole number (0 decimal places).

Curves and more generous grade ranges, for individual or all sections, are possible. Final semester letter grades are only changed if there is a grading or calculation error. Grades are not raised because a student is extremely close to the cutoff between two grades.

The grading policy for the course may be modified if events, conditions, etc. are determined to warrant changes.

**In-class exercises**
This will be a “hand-on” class. My goal is for students to spend a decent part of each class doing exercises that help reinforce relevant material. Instructions will be given in class as to what each exercise entails, whether students must work alone or can work in groups, how scores will be determined, etc.

Each day with at least one in-class exercise will be worth 100 points. A student’s overall score for in-class exercises will be based on the average of their daily exercise scores, with the highest counted twice and the lowest two dropped and not counted. There are no make-ups or excused absences. Flexibility is built into the grading methodology.

**Data Detective**
We will conduct a financial analysis simulation (Data Detective) during our week 3 class, which is:

- Monday, September 16, for section 001
- Tuesday, September 10, for sections 002 and 003

Students who are present for the simulation exercise, have Data Detective on their computer, and actively participate in the exercise will earn full credit (score of 100). A lack of participation could lead to no or partial credit being earned (score less than 100).

Students who are absent or do not have Data Detective on their computer at the time of their week 3 class can still earn full credit for this project by completing an assignment in the simulation. The assignment will involve students evaluating a set of unlabeled financial statements and selecting the
company associated with each. In addition, students will be asked to provide a brief write-up of the rationale behind their choices. Grades for these students may be based on correctness and quality of supporting arguments, not simply completion. The assignment will be made available after Monday, September 16, and students will have until 11:59 pm on Monday, September 30, to complete the assignment, which involves 2 requirements: matching the firms to the financial data in the Data Detective simulation and sending me an email explaining their rationale behind their choices.

**Assignments**
There will be assignments during the term in many, if not all, weeks. Although each student must submit their own answers, students can work together and are encouraged to do so. However, the purpose of collaboration is to enhance learning, not free riding. Therefore, each member of a group that works together must actively contribute. Cheating is not permitted and will result in an allegation of an Honor Code violation being filed. If you do anything other than work alone, you are encouraged ask the professor whether your approach would be considered cheating. An obvious example of cheating is when a student copies or receives answers from another person or source, but this is not the only form of cheating.

Some assignments may be submitted on-line through Blackboard or ExPrep and others may be required to be handed in physically by the student or someone else. In other words, there may be some assignments that will only be accepted on paper in class. In general, late assignments will not be accepted. Information on submission requirements will be given with each assignment.

For assignments submitted through ExPrep, students should log into their account, download the assignment, provide answers, and then submit the document they downloaded from their account. Each student’s downloaded assignment has a unique identifier and uploading a submission with another person’s identifier, regardless of the reason, is considered cheating. Students will often be able to submit to ExPrep multiple times. Moreover, students can download their most recent or most accurate submission to see what was answered correctly and what wasn’t, which could be very useful in promoting learning and earning higher scores on subsequent submissions.

Each assignment will be worth 100 points. Individual scores will be based on a combination of completion and correctness, although the relative weights for each could range from 0% to 100%. A student’s overall score for assignments will be based on the average of their individual assignment scores, with the highest counted twice and the lowest dropped and not counted.

**Exams**
There will be a mid-term exam and a final exam. The plan is for both to require the use of Excel on a laptop, so it is imperative that students get an ExPrep account before their midterm. To promote academic honesty and integrity, students may be asked to use use the Respondus Lockdown Browser through Blackboard.

The midterm is scheduled for week 8. Therefore, the exam will be:

- Monday, October 21, for section 001
- Tuesday, October 22, for sections 002 and 003

The final exam will be given at the university assigned time for each section, which will be:

- Monday, December 16, 1:30 pm - 4:15 pm, for section 001
Relevant information and policies for the exams will be provided during the semester, before each test.

Students that have plans that conflict with an exam should consider modifying their plans or taking FNAN 341 during another semester. Students can only take a make-up exam or an exam at an alternative time if explicit permission is given. If an exam is missed for an excused reason (with adequate documentation) such as required military service, GMU activities, some religious occasions, certain irregular and unavoidable work conflicts, or poor health, then a make-up would be permitted with no deductions. If an exam is missed for an unexcused reason such as a wedding, family vacation, forgetting about the exam, sleeping through it, bad planning, etc. or if inadequate documentation is provided, then a make-up would be permitted and the student would receive a deduction of 30 points on their make-up exam.

Students must confirm with me that they plan to take a make-up exam. Moreover, if a student fails to get permission to make up an exam in a timely manner, that student may be prohibited from taking a make-up or may be allowed, but with a deduction. Make-up exams will be scheduled jointly by me and any affected students.

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 to the one assigned by the University. Anticipated conflicts, such as those associated with other GMU final exams, must be raised with me and resolved by 11:59 pm on Thursday, December 5, 2019. If a conflict is not resolved with me by this time, then the student may be too late for any changes and would be expected to take the final at the assigned time for their section. Appendix D provides more information on the steps necessary to receive permission to take the final at an alternative time.

**Pasewark Project**

You will be required to complete the 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 we will evaluate throughout the semester in class and will familiarize you with it.

The project is due at the start of class on week 4, which is:

- Monday, September 23, for section 001
- Tuesday, September 17, for sections 002 and 003

Information on this project has been posted in the “Assignments & other deliverables” folder on Blackboard. It lists questions that you do not have to answer and provides hints and guidance for some potentially ambiguous questions. It is important to refer to this document, as you do not need to complete a fairly substantial share of the questions. I suggest, that before starting, you go through the workbook and the instructions and use a pencil to cross out all the questions that you can skip.

Students should work alone on the project. I want to make sure that everyone is familiar with the firm and a Form 10-K. Answers to written questions should be brief.
Between 30% and 100% of the grade for the Pasewark project will be based on having correct answers to a set of arbitrarily selected questions (likely between 5 and 10 questions, but possibly less and possibly more). Between 0% and 70% of the grade will be based on completion. As of the start of the term, I do not know what the exact breakdown will be between correction and completeness and which answers will be graded for correctness. Late projects will be accepted for 1 week after the due date, but there will be a 10-percentage point deduction for workbooks submitted by noon the day after they’re due and a 50-percentage point deduction for workbooks submitted after that (until the 1 week mark, when workbooks will no longer be accepted).

You may put the completed workbook in the mailbox outside my office, but any lost or stolen workbooks are the student’s responsibility. In other words, you can put it in my mailbox (and it will probably be fine), but you assume the risk. You may also give it to a classmate or someone else to bring to me, but again, you assume any risks.

**News presentations**

Each student will be required to make two 1-minute presentations during the semester. The purpose of this activity is to help students develop their communications skills. It is also intended to help and familiarize you with current events and developments in the business world. This course involves a lot of number crunching and spreadsheet work, and I’m hopeful that learning about ongoing developments will help you understand the types of forces that need to be considered when thinking about forecasts and models.

Students will present their stories on their assigned day, which is based on the last digit of their G number according to the following schedule:

<table>
<thead>
<tr>
<th>Week</th>
<th>Section 1</th>
<th>Section 2</th>
<th>Section 3</th>
<th>G numbers to present</th>
</tr>
</thead>
<tbody>
<tr>
<td>02</td>
<td>Mon, Sept 9</td>
<td>Tues, Sept 3</td>
<td>Tues, Sept 3</td>
<td>G Number ends in 0 or 1</td>
</tr>
<tr>
<td>03</td>
<td>Mon, Sept 16</td>
<td>Tues, Sept 10</td>
<td>Tues, Sept 10</td>
<td>G Number ends in 2 or 3</td>
</tr>
<tr>
<td>04</td>
<td>Mon, Sept 23</td>
<td>Tues, Sept 17</td>
<td>Tues, Sept 17</td>
<td>G Number ends in 4 or 5</td>
</tr>
<tr>
<td>05</td>
<td>Mon, Sept 30</td>
<td>Tues, Sept 24</td>
<td>Tues, Sept 24</td>
<td>G Number ends in 6 or 7</td>
</tr>
<tr>
<td>06</td>
<td>Mon, Oct 7</td>
<td>Tues, Oct 1</td>
<td>Tues, Oct 1</td>
<td>G Number ends in 8 or 9</td>
</tr>
<tr>
<td>07</td>
<td>Tues, Oct 15</td>
<td>Tues, Oct 8</td>
<td>Tues, Oct 8</td>
<td>Makeups</td>
</tr>
<tr>
<td>08</td>
<td>Mon, Oct 21</td>
<td>Tues, Oct 22</td>
<td>Tues, Oct 22</td>
<td>None - midterm</td>
</tr>
<tr>
<td>09</td>
<td>Mon, Oct 28</td>
<td>Tues, Oct 29</td>
<td>Tues, Oct 29</td>
<td>G Number ends in 0 or 1</td>
</tr>
<tr>
<td>10</td>
<td>Mon, Nov 4</td>
<td>Tues, Nov 5</td>
<td>Tues, Nov 5</td>
<td>G Number ends in 2 or 3</td>
</tr>
<tr>
<td>11</td>
<td>Mon, Nov 11</td>
<td>Tues, Nov 12</td>
<td>Tues, Nov 12</td>
<td>G Number ends in 4 or 5</td>
</tr>
<tr>
<td>12</td>
<td>Mon, Nov 18</td>
<td>Tues, Nov 19</td>
<td>Tues, Nov 19</td>
<td>G Number ends in 6 or 7</td>
</tr>
<tr>
<td>13</td>
<td>Mon, Nov 25</td>
<td>Tues, Nov 26</td>
<td>Tues, Nov 26</td>
<td>G Number ends in 8 or 9 &amp; makeups</td>
</tr>
<tr>
<td>14</td>
<td>Mon, Dec 2</td>
<td>Tues, Dec 3</td>
<td>Tues, Dec 3</td>
<td>Makeups</td>
</tr>
</tbody>
</table>

For the presentation, students should simply describe a story relevant for business. Examples of good types of stories to discuss are earnings reports, company announcements, new product launches, expansions, business strategy, and government data releases. Possible sources include the Wall Street Journal, Robin Hood Snacks podcast, Business Wars Daily podcast, or pretty much any financial news outlet. A convenient resource is ABI/INFORM, which allows students access to a large number of
publications. It can be accessed through the Mason library system at http://infowiz.gmu.edu/dbs/subjects/bus.

To avoid duplication, students should go to discussion board and reply to the relevant week’s thread of the “1-minute presentation forum” and write their name and a very brief description of their story in the relevant forum. The first student to “claim” a story is the one who gets to present it. If a student had planned to select a story that someone else had claimed, then the latecomer needs to pick a different story.

Student grades will based on the clarity of their presentation and timeliness. If it is understandable and relevant for business, as well as roughly 1 minute (50 seconds – 70 seconds), the student would earn 100. Lack of clarity, lack of relevance, and being too short or long will result in deductions from 100. Students are likely to receive deductions for not “signing up” for a story on the discussion board and for presenting a story after another student clearly “claimed” it on the discussion board.

If a presentation is missed for an excused reason (with adequate documentation) such as required military service, GMU activities, some religious occasions, certain irregular and unavoidable work conflicts, or poor health, then a make-up presentation would be permitted with no deductions. If an exam is missed for an unexcused reason such as a wedding, family vacation, forgetting about the presentation, sleeping through class that day, bad planning, etc. or if inadequate documentation is provided, then a make-up presentation would be permitted and the student would receive a deduction of 30 points on their make-up presentation. Students need to receive permission for a make-up from me.

**Group valuation project**

One of the primary outputs from this class will be a thorough evaluation of a company and its stock that students will conduct in teams of 2 or 3 people. I want this to be the type of product that you can bring to or discuss in an interview and demonstrate that you understand and can conduct basic financial analysis and firm valuation in Excel.

The project will be completed throughout the semester and students will give presentations on the last day of class.

Students will form teams of 2 or 3 people (all from the same section). They will select a company to evaluate. A document in the “Group valuation project” folder in Blackboard describes the project in detail. This document will be frequently revised throughout the semester to provide additional detail and clarification.

The first task for students (after forming teams) is to select a company that satisfied the relevant criteria (which are described in the project document on Blackboard). To facilitate your job, I have done some screening and posted a list of potential firms. Note that these firms may not be acceptable, as they only passed some screens. Students will email the name of the firm and the most recent 10-K to me and I will let them know if the firm is available (no one has claimed it) and acceptable (it meets the relevant criteria).

Students will then complete pieces of their analysis throughout the term. The total project is worth 2,000 points that are allocated as follows:

- Group & company selection (50 points)
- Company Bloomberg overview (75 points)
- Company description from form 10-K (75 points)
Historical data and ratios (75 points)
Projected income statement, balance sheet, & statement of cash flows (200 points)
DCF analysis (150 points)
Market comps analysis (100 points)
Recommendation (75 points)
Presentation (100 points)
Final report (100 points)

Individual score from group evaluation (1,000 points). The base score is likely to equal the average from the other components and then adjusted up or down, depending on that individual’s contribution to the group.

Note that in some weeks, students may have both an assignment and a part of the project due.

Some of the parts will require the use of Bloomberg, which is a valuable and useful information source that is widely used in finance. Being familiar with it will enable you to conduct a variety of analyses that employers will value. Appendix E contains information on and expectations for using the Bloomberg terminals.

“Who are you?” form
I want to get to know you. Therefore, I’ve created a form that asks for a picture and a few questions about you. The form can be found in Appendix F. Please submit it by hard copy only by the beginning of class in week 03, which is:

Monday, September 16, for section 001
Tuesday, September 10, for sections 002 and 003

Late pages will be accepted for 1 week after the due date, but there will be a 50-percentage point deduction. You may put the completed form in the mailbox outside my office, but any lost or stolen forms are the student’s responsibility. In other words, you can put it in my mailbox (and it will probably be fine), but you assume the risk.

Extra credit
There are no specific plans for extra credit opportunities, but they may be offered during the semester.

Office of Disability Services
If a student has a disability or situation for which the professor needs to be made aware, they should schedule a time to discuss this with me in a timely manner.

All academic accommodations must be arranged through the Office of Disability Services (ODS), which implements and coordinates reasonable accommodations and disability-related services that afford equal access to university programs and activities. ODS is in the Student Union Building 1, Room 222. Its phone number is (703) 993-2474 and its web site is http://ds.gmu.edu.

Incompletes
A grade of incomplete may be given to students who are passing the course (with a C or higher) but who may be unable to complete scheduled coursework for a cause beyond reasonable control. An incomplete
can only be given if a student has completed at least half the work for the semester, is passing the course, and has a documented excusable reason such as a serious illness or unanticipated family emergency for being unable to complete the remainder of the work as scheduled. Poor time management or failure to deal with a situation earlier in the semester would not be accepted as a reason for an incomplete.
<table>
<thead>
<tr>
<th>Week</th>
<th>Section 1 M, 1:30 pm</th>
<th>Section 2 T, 4:30 pm</th>
<th>Section 3 T, 7:20 pm</th>
<th>Material covered &amp; relevant resources &amp; key items &amp; general deliverables due &amp; project deliverables due</th>
</tr>
</thead>
</table>
| 01   | Mon, Aug 26          | Tues, Aug 27         | Tues, Aug 27         | Course overview & accounting basics  
Syllabus  
CFI: 01 Accounting Fundamentals  
CFI: 02, Reading Financial Statements  
Nelling: Chapter 2, An Overview of Financial Statements |
| 02   | Mon, Sept 9          | Tues, Sept 3         | Tues, Sept 3         | Financial statement analysis  
CFI: 08 Financial Analysis Fundamentals  
Nelling: Chapter 3, Analyzing Historical Financial Performance  
Assignment: 001 accounting problems questions |
| 03   | Mon, Sept 16         | Tues, Sept 10        | Tues, Sept 10        | Valuation methods & Data Detective simulation  
Nelling: Chapter 1, Commonly Used Valuation Methods  
Data Detective simulation in class  
Start Pasewark project as homework  
Submit “Who are you?” form due by start of class  
Assignment: ExPrep 01 on Pasewark project  
Group project: group and company selection |
| 04   | Mon, Sept 23         | Tues, Sept 17        | Tues, Sept 17        | Financial modeling, 1 of 4  
CFI: 09 Building a Financial Model in Excel  
Nelling: Chapter 4, Forecasting Future Performance  
Pasewark project due by start of class |
| 05   | Mon, Sept 30         | Tues, Sept 24        | Tues, Sept 24        | Financial modeling, 2 of 4  
CFI: 09 Building a Financial Model in Excel  
Nelling: Chapter 4, Forecasting Future Performance  
Assignment: Valuation methods  
Group project: company Bloomberg overview |
| 06   | Mon, Oct 7           | Tues, Oct 1          | Tues, Oct 1          | Financial modeling, 3 of 4  
CFI: 09 Building a Financial Model in Excel  
Nelling: Chapter 4, Forecasting Future Performance  
Assignment: ExPrep 02 on financial modeling 01  
Group project: Company description from Form 10-K |
| 07   | Tues, Oct 15         | Tues, Oct 8          | Tues, Oct 8          | Financial modeling, 4 of 4  
CFI: 09 Building a Financial Model in Excel  
Nelling: Chapter 4, Forecasting Future Performance  
Assignment: ExPrep 03 on financial modeling 02  
Group project: Historical data and ratios |
| 08   | Mon, Oct 21          | Tues, Oct 22         | Tues, Oct 22         | Midterm exam |

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<table>
<thead>
<tr>
<th>Week</th>
<th>Section 1 M, 1:30 pm</th>
<th>Section 2 T, 4:30 pm</th>
<th>Section 3 T, 7:20 pm</th>
<th>Material covered &amp; relevant resources &amp; key items &amp; general deliverables due &amp; project deliverables due</th>
</tr>
</thead>
</table>
| 09   | Mon, Oct 28         | Tues, Oct 29        | Tues, Oct 29        | DCF, 1 of 2  
CFI: 10 Business Valuation Modeling  
Nelling: Chapter 5, Discounted Cash Flow Valuation  
Group project: Projected statements – IS, BS, & SCF |
| 10   | Mon, Nov 4          | Tues, Nov 5         | Tues, Nov 5         | DCF, 2 of 2  
CFI: 10 Business Valuation Modeling  
Nelling: Chapter 7, Valuation and the Cost of Capital  
Possible assignment: details provided later in term |
| 11   | Mon, Nov 11         | Tues, Nov 12        | Tues, Nov 12        | Multiples  
CFI: 10 Business Valuation Modeling  
Nelling: Chapter 6, Price Multiple Valuation  
Possible assignment: details provided later in term  
Group project: DCF analysis |
| 12   | Mon, Nov 18         | Tues, Nov 19        | Tues, Nov 19        | Scenario, sensitivity, & simulation  
CFI: 13 Scenario & Sensitivity Analysis in Excel  
Possible assignment: details provided later in term |
| 13   | Mon, Nov 25         | Tues, Nov 26        | Tues, Nov 26        | Private firm valuation  
Nelling: Chapter 8, Small Business and Private Company Valuation  
Possible assignment: details provided later in term  
Group project: Market comps analysis |
| 14   | Mon, Dec 2          | Tues, Dec 3         | Tues, Dec 3         | Group project: Recommendation  
Group project: Presentation  
Group project: Final report  
Group project: Group evaluation forms |
|      | Mon, Dec 16 1:30-4:15pm | Tues, Dec 17 4:30-7:15pm | Tues, Dec 17 7:30-10:15pm | Final exam |
## Appendix B

### Recommended Sanctions for Honor Code Violations

#### School of Business Recommendations for Honor Code Violations

*Approved May 2016*

<table>
<thead>
<tr>
<th>UG-Non Freshman Students (including transfer students)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Violation</strong></td>
</tr>
<tr>
<td>-----------------------</td>
</tr>
<tr>
<td><strong>Plagiarism</strong></td>
</tr>
<tr>
<td>1. Failure to cite/attribute sources</td>
</tr>
<tr>
<td>2. Representing someone else’s work as the student’s own (e.g., copying and pasting)</td>
</tr>
<tr>
<td><strong>Cheating</strong></td>
</tr>
<tr>
<td>1. On a minor assignment (e.g., homework, quizzes)</td>
</tr>
<tr>
<td>2. Cheating on a major assignment or exam, submitting course work from another course as original work</td>
</tr>
<tr>
<td><strong>Lying</strong> (e.g., providing fraudulent excuse documents, falsifying data)</td>
</tr>
<tr>
<td><strong>Egregious Violation</strong> (e.g., stealing an exam; submitting coursework from another class as original work across multiple courses; lying to an employer about academic performance, false identification or posing as another, in person or online)</td>
</tr>
</tbody>
</table>

Note: The Academic Integrity Seminar used by the Office of Academic Integrity cost $100 as of May 2016.
Appendix C: “Good” and “Bad” Classroom Behavior, Academic Integrity and Honor Code Statement, and GMU Diversity Statement

“Good” and “Bad” Classroom Behavior

Some important reminders for “good” behavior include coming to class on time; bringing your laptop to work through problems; reading the syllabus and becoming familiar with the course outline, resources, key dates, policies, etc.; asking questions about material and concepts that are not well understood by raising a hand to be called on; minimizing the distraction of a late arrival by entering quietly and not disrupting fellow students; reading all emails sent out by an instructor; reporting knowledge of any possible or potential Honor Code violations; and adhering to the School of Business Standards of Behavior as described as follows:

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.

Some important reminders for “bad” behavior include using any phone, laptop, tablet, etc. during class to engage in any activity that is not directly related to the ongoing class; talking with neighbors about anything unrelated to class; leaving early or taking an unnecessary break in the middle of class; and packing up belongings before class is over and the professor has finished.

Students may only use devices for ongoing class-related activities. Students who use a device inappropriately by surfing the Internet, doing homework for any class, etc. may receive a deduction from their course grade.

Students should not cheat or engage in any form of academic dishonesty. Suspected, possible, or potential violations of the Honor Code will be reported to the Honor Committee.

Academic Integrity and Honor Code Statement

Students are expected to know and adhere to the GMU Honor Code, which deals with cheating and attempted cheating, plagiarism, lying, and stealing. Suspected, possible, or potential violations of the Honor Code will be reported to the Honor Committee. The code can be found at:

https://oai.gmu.edu/mason-honor-code/
Violations of the Honor Code include, but are not limited to, submitting work completed by another person and representing it as one’s own; communicating about an exam with another person other than a proctor during the exam; having or using an impermissible aid such as unauthorized notes or stored information in a calculator on an exam; looking at or copying another student’s exam work or answers; providing another student with assistance with exam questions during an exam; impersonating a student in the class in order to get credit for that student; asking another person for an impersonation of oneself in order to get credit for oneself; removing an exam from the classroom; obtaining or providing access to all or part of an exam prior to the exam time, and sharing information about exams with others, especially students that have not yet taken the exam, before given permission.

On exams (tests and the final exam), the following calculator-related behaviors and actions are among those considered violations of the Honor Code: using programs in a programmable calculator that have not been reviewed or used in class without the knowledge and consent of the course coordinator; using a programmable calculator to store any information related to an exam for one’s own or another’s benefit; and failing to clear the calculator of all displayed and stored information when a calculator is shared with a student in another exam section.

Students should read this entire syllabus to make sure that they understand course policies with regard to the Honor Code. Students are reminded that they are responsible for understanding the provisions of the Honor Code and that they are encouraged to report any violations they observe.

**George Mason University 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.
Appendix D: Rescheduling Final Exams

Rescheduling the final exam when a student has 3 or more exams on the same day

To schedule the final exam at an alternative time because a student has 3 or more final exams scheduled on the same day, students should provide Dr. Pilloff 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 the student has on the same day. The final exam schedule can be found at:


2) A copy of the student’s class schedule from PatriotWeb that clearly indicates (highlighting works well) the 3 (or more) courses that have their final on the same day

3) A filled-out, change-of-final-exam-request form. The rescheduled time for the final will be determined by Dr. Pilloff and the student. The change-of-final-exam-request form can be found at:


Once relevant items have been provided to Dr. Pilloff and the reason and any documentation are evaluated and confirmed, he will fill out the relevant parts of the change-of-final-exam-request form and return it to the student, who can then submit the form for the required final approval to the School of Business Office of Student Success and Academic Services in Room 008 of Enterprise Hall.

Rescheduling the final exam when a student has any other “excusable” conflict

To schedule the final exam at an alternative time because a student has an “excusable” conflict such as a GMU-sponsored activity, military service, or required work duties, students should provide Dr. Pilloff with the following two items:

1) Documentation of the conflict

2) A filled-out, change-of-final-exam-request form. The rescheduled time for the final will be determined by Dr. Pilloff and the student. The final exam schedule can be found at:


Once relevant items have been provided to Dr. Pilloff and the reason and any documentation are evaluated and confirmed, Dr. Pilloff will fill out the relevant parts of the change-of-final-exam-request form and return it to the student, who can then submit the form for the required final approval to the School of Business Office of Student Success and Academic Services in Room 008 of Enterprise Hall.
Appendix E: Information on and Expectations for Using Bloomberg Terminals

Bloomberg terminals have been installed in Enterprise Hall 076 for use by undergraduate and graduate students enrolled in the School of Business. The terminals enable students to access, 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 076 is generally accessible throughout the day and evening (Monday – Sunday). FNAN 341 has a separate access code for security reasons. It is 014-1011. Also, the password for the PCs in Finance 1. 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 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 follow in exchange to getting 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.
Appendix F: Who Are You?

The purpose of this page is to introduce yourself to me and to help me get to know you.

You may print out this form, write your answers on it, and attach a photo or you may type in the information, insert an electronic photo of yourself, and print out a completed form. You may write on the back. Either way, hard copy of this page must be handed in by the beginning of class in week 03 (Monday, September 16, for section 001, and Tuesday, September 10, for sections 002 and 003). Late pages will be accepted for 1 week after the due date, but there will be a deduction of 50 percentage points. You may put it in the mailbox outside my office, but any lost or stolen forms are the student’s responsibility. In other words, you can put it in my mailbox (and it will probably be fine), but you assume the risk.

Your Name: ______________________________________ Anticipated graduation date: ________________

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.

What are some of your professional goals and aspirations?

What is/are your major(s) and why did you choose it/them?

What are you hoping to get out of this course?

What is something (or several things) that you like to do? Feel free to share more than 1.

What is something (or several things) interesting, exciting, unusual, etc. that you have done or experienced? Feel free to share more than 1.