

# FLORIDA ATLANTIC UNIVERSITY™

## Graduate Programs—COURSE CHANGE REQUEST<sup>1</sup>

UGPC APPROVAL \_\_\_\_\_  
 UFS APPROVAL \_\_\_\_\_  
 SCNS SUBMITTAL \_\_\_\_\_  
 CONFIRMED \_\_\_\_\_  
 BANNER POSTED \_\_\_\_\_  
 CATALOG \_\_\_\_\_

DEPARTMENT FINANCE	COLLEGE BUSINESS
COURSE PREFIX AND NUMBER FIN 6455	CURRENT COURSE TITLE FINANCIAL MODELING
CHANGE(S) ARE TO BE EFFECTIVE (LIST TERM)    SPRING 2016	____ TERMINATE COURSE (LIST FINAL ACTIVE TERM)
CHANGE TITLE TO:  CHANGE PREFIX FROM:                    TO:  CHANGE COURSE NO. FROM:            TO:  CHANGE CREDITS <sup>2</sup> FROM: 2                    TO: 3  CHANGE GRADING FROM:                    TO:  CHANGE DESCRIPTION TO:	CHANGE PREREQUISITES/MINIMUM GRADES TO*:   CHANGE COREQUISITES TO*:   CHANGE REGISTRATION CONTROLS TO:   *Please list both existing and new pre/corequisites, specify AND or OR, and include minimum passing grade.
Faculty contact, email and complete phone number: Luis Feijoo-Garcia, (954) 236-1239	Attach syllabus for ANY changes to current course information.
Should the requested change(s) cause this course to overlap any other FAU courses, please list them here:  none	Please consult and list departments that might be affected by the change(s) and attach comments. <sup>3</sup> none

<b>Approved by:</b> Department Chair: College Curriculum Chair: College Dean: UGPC Chair: _____ Graduate College Dean: _____ UFS President: _____ Provost: _____	<b>Date:</b> 2-16-2016 2-16-2016 2-16-2016 _____ _____ _____	<ol style="list-style-type: none"> <li>1. Syllabus must be attached; see guidelines for requirements: <a href="http://www.fau.edu/provost/files/course_syllabus.2011.pdf">www.fau.edu/provost/files/course_syllabus.2011.pdf</a></li> <li>2. Review <b>Provost Memorandum: Definition of a Credit Hour</b> <a href="http://www.fau.edu/provost/files/Definition_Credit_Hour_Memo_2012.pdf">www.fau.edu/provost/files/Definition_Credit_Hour_Memo_2012.pdf</a></li> <li>3. Consent from affected departments (attach if applicable)</li> </ol>
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Email this form and syllabus to [UGPC@fau.edu](mailto:UGPC@fau.edu) one week before the University Graduate Programs Committee meeting.



**Finance 6455 CRN Number:  
Financial Modeling, MSF  
Semester, Classroom Location**

**Professor Information**

**Office Hours**

**Required Text**

Students should have reliable Internet access, a browser compatible with Blackboard software and Microsoft Office 97 or higher (including Word, Excel and PowerPoint). Also required are regular access to the Wall Street Journal, and a financial calculator (including internal rate of return analysis). The required textbook for the class is:

Simon Benninga, Financial Modeling, Fourth Edition.

If you need additional help with excel skills for finance, the recommended text is [Financial Analysis with Microsoft Excel](#) -- Mayes and Shank, Thomson SouthWestern, Sixth edition or latest edition.

**Required Material:**

*The Wall Street Journal* should be read on a daily basis.

**Recommended Text and Materials**

- John Walkenbach, Excel 2013 Formulas, 2013, 1<sup>st</sup> Edition, Wiley Publishers, ISBN: 978-1118490440.
- James Kelleher, Equity Valuation for Analysts and Investors, 2010, 1<sup>st</sup> Ed., McGraw-Hill Companies, ISBN: 978-0071639231.
- Joshua Rosenbaum and Joshua Pearl, Investment Banking: Valuation, Leveraged Buyouts and Mergers and Acquisitions, 2009, John Wiley and Sons Inc., ISBN: 201-7486000.
- Breaking Into Wall Street Online Tutorial Videos for Financial Modeling

**Course Description**

Financial modeling using spreadsheets to conduct financial analysis for managerial decision making. Special attention will be given to models in mergers and acquisitions, leveraged buyouts,



venture capital, etc. This is a hands-on course that will use the FAU Trading Room and Bloomberg and other databases.

### **Course Prerequisites, Credit Hours, and Class Time Commitments**

**Prerequisites:** Admission to the Market Rate MSF Program. It is also recommended that the students have a good knowledge of standard Excel functions and functionality, and a solid foundation in key principles of finance before joining this class.

**Credit Hours: 3 credit hours**

### **Florida Statute Statement**

According to Florida State Statute 6A-10.033, students must spend a minimum of 37.5 hours (25 hours) of **in class** time during a 3-credit (2-credit) course. Additionally, students enrolled in a 3-credit (2-credit) course are expected to spend a minimum of 75 hours (50 hours) of **out-of-class-time** specifically working on course-related activities (i.e., reading assigned pieces, completing homework, preparing for exams and other assessments, reviewing class notes, etc.) and fulfilling any other class activities or duties as required.

### **Course Learning Objectives**

1. Develop financial models in excel and other programs in order to solve financial problems.
2. Use financial modeling for the basic concepts such as valuation, cost of capital, and project analysis.
3. Develop skills for more advanced and sophisticated models for leveraged buyout (LBO) and accretion/dilution (M&A) modeling.
4. Develop a practical, application-oriented focus on the financial theory underlying such models.
5. Communicate the findings from the models clearly and concisely in order to facilitate manager decision making.

### **Supplementary Readings:**

#### ***Course/web Resources***

- <http://www.cfainstitute.org/learning/products/multimedia/Pages/84107.aspx>  
An excellent series of webcast lectures by Simon Benninga on Financial Modelling topics such as efficient portfolios, Black-Litterman, Monte Carlo in finance, and pricing options with Monte Carlo.
- <http://businessvaluezz.blogspot.com/2010/04/merger-acquisition-excel-templates.html>



Free Excel templates on various topics such as mergers and LBOs

- <https://www.macabacus.com/>

Free Mergers and Acquisitions models and LBO models

**Grading**

Letter Grade	Points	Letter Grade	Points
A	92+	C	72+
A-	90+	C-	70+
B+	88+	D+	68+
B	82+	D	62+
B-	80+	D-	60+
C+	78+	F	<60

**Course Evaluation Method**

Final Exam	25%
Midterm	20%
Assignments	30%
Project	25%



### Missing Exams

Midterm and final exam will be open book/notes and will require the use of Excel/computer. You may use a financial calculator but ***must*** show your work in Excel. **You are not allowed to share calculators on exams.** There will be no make-up midterm exam or final exam unless the exam date falls on an important religious event/observation day (see details in the Religious Accommodation Policy Statement).

### Late Assignments

You are responsible for turning in the assignments and project on time. ***Late assignments and late project will not be accepted.*** You can submit your assignments and/or project before the deadline via email.

### Attendance Policy

Regular class attendance is strongly urged. As you may be aware, FAU has launched a new procedure to take attendance for all courses. To collect student attendance University-wide, a mandatory Blackboard survey with a direct hyperlink will be presented to all registered students for each course. Please complete the survey by the end of the drop/add period. More importantly, class activities are vitally important to the learning process. Tardiness is disruptive; if you must be late, please quietly take the first available seat and do not disturb the class. ***You are expected to turn off your cell phones*** and other electronic devices prior to the start of class.

### Academic Honesty:

The university policy regarding academic honesty is strictly followed. Cheating will not be tolerated and will result in a grade of zero for the work in question. Plagiarism (the representation as one's own, in whole or part, of the work of others) is a form of cheating. Proper citation and attribution is absolutely required in all work. For more information, please refer to the College of Business Academic Honesty Policy. All written assignments can be screened for academic honesty and originality using turnitin.com. Any reports not the author's own work will receive a grade of zero. If I find out that you have borrowed from any source, I may choose to assign a grade of zero. Beyond that, the value of the class comes in finding your own solutions to these problems, so you are compromising the value of your degree. Please do your own work.

**Academic Dishonesty: "A fundamental principle of academic, business, and community life is honesty. Violation of this ethical concept will result in penalties ranging from a grade of "F" in the course to dismissal from the University. In all penalties, a letter of fact will be included in the student's file."**



## Selected University and College Policies

### Selected University and College Policies

#### Code of Academic Integrity Policy Statement

Students at Florida Atlantic University are expected to maintain the highest ethical standards. Academic dishonesty is considered a serious breach of these ethical standards, because it interferes with the university mission to provide a high quality education in which no student enjoys an unfair advantage over any other. Academic dishonesty is also destructive of the university community, which is grounded in a system of mutual trust and places high value on personal integrity and individual responsibility. Harsh penalties are associated with academic dishonesty. For more information, see [University Regulation 4.001](#).

#### Disability Policy Statement

In compliance with the Americans with Disabilities Act (ADA), students who require special accommodation due to a disability to properly execute coursework must register with the Office for Student Assessability Services (SAS) – in Boca Raton, SU 133, (561) 297-3880; in Davie, LA 131, (954) 236-1657; in Jupiter, SR 117, (561) 799-8585 – and follow all SAS procedures.

#### Religious Accommodation Policy Statement

In accordance with rules of the Florida Board of Education and Florida law, students have the right to reasonable accommodations from the University in order to observe religious practices **and beliefs with regard to admissions, registration, class attendance and the scheduling of examinations** and work assignments. For further information, please see [Academic Policies and Regulations](#).

#### University Approved Absence Policy Statement

In accordance with rules of the Florida Atlantic University, students have the right to reasonable accommodations to participate in University approved activities, including athletic or scholastics teams, musical and theatrical performances and debate activities. It is the student's responsibility to notify the course instructor at least one week prior to missing any course assignment.

#### College of Business Minimum Grade Policy Statement

The minimum grade for College of Business requirements is a "C". This includes all courses that are a part of the pre-business foundation, business core, and major program. In addition, courses that are used to satisfy the university's "Writing Across the Curriculum" and Gordon Rule math requirements also have a minimum grade requirement of a "C". Course syllabi give individualized information about grading as it pertains to the individual classes.



### Incomplete Grade Policy Statement

A student who is passing a course, but has not completed all work due to exceptional circumstances, may, with consent of the instructor, temporarily receive a grade of incomplete (“I”). The assignment of the “I” grade is at the discretion of the instructor, but is allowed only if the student is passing the course.

The specific time required to make up an incomplete grade is at the discretion of the instructor. However, the College of Business policy on the resolution of incomplete grades requires that all work required to satisfy an incomplete (“I”) grade must be completed within a period of time not exceeding one calendar year from the assignment of the incomplete grade. After one calendar year, the incomplete grade automatically becomes a failing (“F”) grade.

### Withdrawals

Any student who decides to drop is responsible for completing the proper paper work required to withdraw from the course.

### Grade Appeal Process

A student may request a review of the final course grade when s/he believes that one of the following conditions apply:

- There was a computational or recording error in the grading.
- Non-academic criteria were applied in the grading process.
- There was a gross violation of the instructor’s own grading system.

The procedures for a grade appeal may be found in [Chapter 4 of the University Regulations](#).

### Disruptive Behavior Policy Statement

Disruptive behavior is defined in the FAU Student Code of Conduct as “... *activities which interfere with the educational mission within classroom.*” Students who behave in the classroom such that the educational experiences of other students and/or the instructor’s course objectives are disrupted are subject to disciplinary action. Such behavior impedes students’ ability to learn or an instructor’s ability to teach. Disruptive behavior may include, but is not limited to: non-approved use of electronic devices (including cellular telephones); cursing or shouting at others in such a way as to be disruptive; or, other violations of an instructor’s expectations for classroom conduct.

### Faculty Rights and Responsibilities

Florida Atlantic University respects the right of instructors to teach and students to learn. Maintenance of these rights requires classroom conditions which do not impede their exercise. To ensure these rights, faculty members have the prerogative:

- To establish and implement academic standards



- To establish and enforce reasonable behavior standards in each class
- To refer disciplinary action to those students whose behavior may be judged to be disruptive under the Student Code of Conduct.

**Course Schedule:** This schedule is tentative and subject to change if necessary. For each class, please read the assigned material BEFORE the class meets.

Unit	Week of:	Assignment Topics	Chapters/Excel
1		Excel Financial Modeling Built ins  VBA, Macros Data tables Basic Excel valuation functions  Overview of corporate valuation	Chapter 0: Before all else  Adding Getformula Chapter 1 Chapter 31 Chapter 33 (typescript)  Chapter 2
2		Short-form valuation Class exercise: Using Yahoo.Finance to value a company	Chapter 2  Chapter 4
3	HW set 1 due	Cost of capital  Technical: Regressions in Excel	Chapter 3  Chapter 33
4		Pro-forma Financial Statements	Chapter 2, 4, 5: Excel Pro-forma analysis
5	HW set 2	Project: Analysis of a Firm through:  Pivot Tables  Vertical Analysis of Financial Statements  <b>Midterm</b>	Handout  Project Details handed out to class
6		Lease Financing	Chapter 7  Chapter 20, 21





		Bonds	
7	HW set 3 due	Portfolio Models	Chapter 8, 9, 10
8	HW set 4 due	Basic Options	Chapter 11  Chapter 15, 17
9		Special Topics  Project presentation	Project due
10		Final Exam	