1. DESCRIPTION
Corporate financial management deals with the application of financial principles within a corporation to create and maintain value through decision making and proper resource management.

2. JUSTIFICATION
All business majors need to comprehend the financial principles required for the analysis of corporate short-term decisions, such as financing current assets, management of working capital and cash budgeting.

3. OBJECTIVES

3.1 GENERAL
• The objective of the course is to cover all the financial principles related to the finance of corporate activities in the short term such as: time value of money, valuing financial securities, working capital management, cash budgeting, and financial planning.

3.2 SPECIFIC
• To learn how to evaluate financial statements
• To learn about valuation models of financial securities

4. COMPETENCIES
• To review accounting principles needed for financial analysis
• To review time value of Money
• To learn how to determine the fair market value of financial securities
• To learn how to manage current assets
• To learn how to finance current assets

5. COURSE CONTENT OUTLINE

<table>
<thead>
<tr>
<th>DATE</th>
<th>Specific competencies</th>
<th>Content</th>
<th>Homework/projec ts/assignments (Non-Contact Hours)</th>
<th>ASSESSMENT (performance indicators)</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/11</td>
<td>Identifies the Balance Sheet &amp; Income Statement</td>
<td>Accounting &amp; Finance</td>
<td>Appendix A / Pages: 111-132 Homework</td>
<td>Identifies the meaning of a Balance Sheet and Income Statement</td>
</tr>
<tr>
<td>01/12</td>
<td>Develops an Statement of Cash flows Identifies the Effect of Taxes on Statements</td>
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<td>Identifies the most important accounts for both statement</td>
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<td>To learn how to build an Statement of</td>
</tr>
<tr>
<td>Date</td>
<td>Task</td>
<td>Source/Details</td>
<td>Cash Flows</td>
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<tr>
<td>01/13</td>
<td>Analyzes Financial Statements Applies Financial Ratios To use the Dupont System to calculate ratios Measuring Company Performance</td>
<td>Financial Statement Analysis Appendix A / Pages: 133-162 Homework</td>
<td>Evaluates the financial condition of a firm by the analysis of its Statements</td>
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</tr>
<tr>
<td>01/18</td>
<td>Identifies the Components of Working Capital and the Cash Conversion Cycle Identifies the links between Long-Term and Short-Term Financing Working Capital and Cash Budgeting Forecast Sources and uses of Cash Options for Short-Term Financing Sources of Short-Term Financing Calculates the cost of bank loans</td>
<td>Working Capital Management Section 2 / Pages: 163-200 Homework</td>
<td>Identifies the Components of Working Capital and the Cash Conversion Cycle Identifies the links between Long-Term and Short-Term Financing Forecasts Sources and uses of Cash Evaluates options for Short-Term Financing Calculates the cost of bank loans</td>
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<tr>
<td>01/21</td>
<td>Identifies how Mortgages work Knows about liens over other current assets used as collateral Knows how to use trusts as a collateral instrument</td>
<td>Adequate Collaterals for Bank Loans Ley General del Sistema Financiero</td>
<td>Defines the different types of collaterals authorized in our legal system.</td>
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<tr>
<td>01/26</td>
<td>Identifies the process of Cash Collection, Disbursement, and Float Managing Float Identifies how to manage Inventories and Cash Balances</td>
<td>Cash &amp; Inventory Management Section 2 / Pages: 201-226 Homework</td>
<td>Identifies the process of Cash Collection, Disbursement, and Float Manages Inventories and Cash Balances</td>
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</tr>
<tr>
<td>02/1</td>
<td>Performs a Credit Analysis Evaluates The Credit Decision Designs a Collection Policy</td>
<td>Credit Management &amp; Collection Section 2 / Pages: 227-252 Homework</td>
<td>Performs a Credit Analysis Evaluate The Credit Decision Designs a Collection Policy</td>
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<tr>
<td>02/10</td>
<td>Identifies the concept of Future and Present Value of Single Cash flows Uses Future and Present Value of Annuities</td>
<td>Time Value of Money Chapter 4 / Pages: 93-130</td>
<td>Calculates the present and future value of single cash flows Calculates the present and future value of annuities</td>
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</tr>
<tr>
<td>02/15</td>
<td>Identifies the different financial procedure to calculate the fair market value of Bonds and Stock</td>
<td>Valuing Financial Securities Chapter 5 / Pages: 131-168</td>
<td>Obtains the market value of bonds Obtains the market value of stocks using different models (dividend growth model and erratic growth model)</td>
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</tr>
<tr>
<td>02/18</td>
<td>Identifies the financial planning process Elaborates a financial plan using principles such as: pro forma financial statements, and planning horizon Implements a cash budget and the cash flow break-even point Identifies the sources of Internal growth and the difference with sustainable growth</td>
<td>Financial Planning Section 1 / Pages: 81 – 108</td>
<td>Identifies the financial planning process Elaborates a financial plan using principles such as: pro forma financial statements, and planning horizon Identifies the phases of the financial planning process and its benefits. Implements a cash budget and the cash flow break-even point Identifies the alternatives when funds are inadequate Identifies the sources of Internal growth and the difference with sustainable growth Identifies the different Financial</td>
<td></td>
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</tbody>
</table>
Planning Models and its components and pitfalls.

02/23 Designs and uses spreadsheets for Financial Planning
02/25 Identifies the concept of Leasing Identifies the differences between leasing and buying Identifies the accounting effects of Leasing
03/1 Appendix B / Pages: 545-558 Identifies the concept of Leasing Identifies the differences between leasing and buying Identifies the accounting effects of Leasing
03/2 CLASS REVIEW
03/3 FINAL EXAM PT1
03/4 FINAL EXAM PT2

6.- METHODOLOGY
- The methodology of this class is one-third theory and two-thirds exercises and problems.
- In addition, students will be required to research about related topics during the class.
- Reading the assigned chapter before coming to class is not only mandatory but extremely necessary to pass the class. Students should be familiar with the material before coming to class in order to understand fully the context of the class.
- Students are encouraged to participate in class discussions covering the topics enclosed.

7.- EVALUATION

7.1 Assessment Criteria
- Completion and knowledge of the assigned course readings,
- Two in-class examinations,
- Four Short Quizzes
- Completion of assigned homework
- Classroom participation

7.2 Performance Markers
- Calculates the present and future value of single cash flows
- Calculates the present and future value of annuities
- Obtains the market value of bonds and stocks using different models
- Identifies how to implement a cash budget and the cash flow break-even point
- Identifies the alternatives when funds are inadequate
- Identifies the sources of Internal growth and the difference with sustainable growth

7.3 Weighting
- Class discussion is very important; consequently, class participation will account for 10% of the final grade.
- Homework will be sent periodically and it will account for 30% of the final grade; it will include exercises, problems, and case analysis.
- Every week we will have short quizzes covering the chapters taught last week. It will account for 10% of the final grade.
- Midterm and final exam will consist of a combination of multiple choice and exercises. Both exams will account for 50% of the final grade.

8.- BIBLIOGRAPHY
8.1 REQUIRED: Fundamentals of Corporate Finance by Brealey, Myers & Marcus
8.2 COMPLEMENTARY: Corporate Financial Management by Emmerty
8.3 HANDOUTS: Spreadsheet Modeling in Corporate Finance by Craig Holden
8.4 WEBLIOGRAPHY:

9.- FACULTY INFORMATION

<table>
<thead>
<tr>
<th>NAME: MARIO VERA BARREZUETA</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACADEMIC CREDENTIALS--UNDERGRAD:</td>
</tr>
<tr>
<td>B.B.A with majors in Finance and International Business – Florida Atlantic University.</td>
</tr>
<tr>
<td>GRADUATE:</td>
</tr>
<tr>
<td>MBA – Florida Atlantic University</td>
</tr>
<tr>
<td>PROFESSIONAL CREDENTIALS:</td>
</tr>
<tr>
<td>Financial Consultant</td>
</tr>
</tbody>
</table>

E – mail: myera@bpoasesores.com

10.- FACULTY SIGNATURE AND OR DEAN/DIRECTOR’S APPROVAL (SIGNATURE)

Prepared by: MARIO VERA BARREZUETA       Date: December, 2009

Reviewed by: Dean Monica       Date: December, 2009