Financial Decisions: Spring 2013

38:533:540:01
Monday, 7:20 pm to 10:00 pm
Levin Building, Room 004

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Office Hours By Appointment
Class Material https://sakai.rutgers.edu (Use your eden ID and Password.)

This course is an introduction to corporate financial decision making. We will examine the relationships between corporate finance and human resource management and labor relations. In addition, you will learn how to use financial decision making techniques for assessing and developing HR practices and programs.

Text

Robert C. Higgins, Analysis for Financial Management, McGraw Hill, 10th *edition*, 2012

You will need to bring a calculator to each class session and to the two exams. (A simple one that does basic arithmetic will be sufficient.)

Grading Basis

Midterm exam (35%)
Project (20%)
Final exam (35%)
Class attendance and participation (10%)

Schedule

Date	Session	Topic	Reading
1/28	1	Introduction	Handouts; Chapter 1
2/4	2	Financial Statements	Chapter 1
2/11	3	Evaluating Performance	Chapter 2
2/18	4	Financial Instruments	Chapter 5
2/25	5	The Financing Decision	Chapter 6
3/4	5	The Financing Decision Review	Chapter 6
3/11	**6**	**Midterm Exam**	
NO CLASS ON 3/18			
3/25	6	Discounted Cash Flow	Chapter 7
4/1	7	Discounted Cash Flow	Chapter 7
4/8	9	Risk Management	Chapter 8
4/15	11	Business Valuations	Chapter 9
4/22	12	Business Valuations	Chapter 9
4/29	13	**Cost-Benefit Analysis Project** Outsourcing Decisions Pension Finance	**All Papers Due** Team Presentations
5/6	14	Employee Stock Options Bonus Drivers Review	Team Presentations
5/13	**15**	**Final Exam**	

Cost Benefit Analysis/ROI Project

You will work in teams to do the following:

I. Select an HR project or program, e.g. implementing an HRIS, developing a new training program, outsourcing an HR function, etc.
II. Provide a detailed list of all the direct and indirect costs and benefits.
III. Conduct an in-depth cost-benefit analysis using a NPV model.
IV. Calculate IRR/ROI of the proposed project or program.
V. Write a report describing your analysis and rational for your decision.

Your team will prepare this report for the SVP of HR. This report must state your recommendation and summarize all analyses. Also, your team will prepare and deliver a PowerPoint presentation to the HR executive committee (comprised of instructor and class participants) of your recommendation and analyses. Grades will be based on the quality of the:

I. Analyses
II. Written report
III. Presentation

Class Attendance and Participation

Your class attendance and participation grade will be based on the following:

I. Attending all classes and arriving on time
II. Contributing to homework review
III. Sharing your insight and experience with course material
IV. Sharing relevant current information
V. Participating in team presentation question and answer sessions

Grading Scale

A = 90 - 100
B+ = 88 - 89
B = 80 - 87
C+ = 78 - 79
C = 70 - 77
F = 60 - 69