

# Northern Marianas College

## CURRICULUM ACTION REQUEST

**Course:** FM300 Introduction to Financial Management

**Effective Semester / Session:** Spring 2025

**Type of Action:**

- New
- Modification
- Move to Inactive (Stop Out)
- Cancellation

**Course Alpha and Number:** FM300

**Course Title:** Introduction to Financial Management

**Reason for initiating, revising, or canceling:**

This course guide is being updated to reflect changes in the Required/Recommended Textbook(s) and related materials, Course Activities, and Design and Instructional Resources Needed.

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**Interim Dean of Academic Programs & Services**

**Date**

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**Course:** FM300 Introduction to Financial Management

### 1. Department

School of Business

### 2. Purpose

Finance is one of the key drivers of a firm's activities and a critical component to understanding business in general. Introduction to Financial Management is designed to help students with no prior knowledge grasp the applications and relevance of finance to make sound economic decisions with appropriate financial facts. This course is required for students enrolled in the Bachelors of Science in Business Management. Student's engagement in financial management real-world applications and issues are a critical portion of the course.

### 3. Description

#### A. Required/Recommended Textbook(s) and Related Materials

Required:

Cengage Unlimited: all textbooks and related materials are included in this online learning platform.

Recommended: None

#### B. Contact Hours

1. **Lecture:** 3 per week / 45 per semester
2. **Lab:** None
3. **Other:** None

#### C. Credits

1. **Number:** 3
2. **Type:** Regular Degree Credits

#### D. Catalogue Course Description

The basic concepts of financial resource management and financial analysis techniques for practical business decisions are introduced in this course. The use of financial ratios to evaluate the past performance of the firm, financial planning techniques, the effect of leverage on profitability and risk, the time value of money, and contemporary approaches to working capital management and capital budgeting are included. Computational skills are emphasized as students compute financial ratios, construct pro forma financial statements, conduct break-even analysis, and compute present and future values of funds. Prerequisite: must complete 60-credit hours to maintain junior level. English Placement Level: EN 202. Math. Placement Level: MA 161. This course is offered in Spring semester and may be offered in the Summer as needed.

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### **E. Degree or Certificate Requirements Met by Course**

A "C" grade or better in this course satisfies a core course requirement in Northern Marianas College Bachelor of Science in Business Management.

### **F. Course Activities and Design**

Course activities include: lectures, discussions, homework assignments, tests, quizzes, case studies, financial report analysis, and a final exam.

### **4. Course Prerequisite(s); Concurrent Course Enrollment**

Prerequisites: Must complete 60-credit hours to maintain junior level

Concurrent Course Enrollment: None

### **Required English/Mathematics Proficiency Level(s)**

English Placement Level: EN202

Mathematics Placement Level: MA161

### **5. Estimated Cost of Course; Instructional Resources Needed**

Cost to the Student: Tuition for a 3-credit hour course, cost of the textbook, and class/lab fees.

Cost to the College: Instructor's salary and Live Plan subscription.

Instructional resources needed for this course include: internet access, whiteboard, dry erase markers, and multi-media system.

### **6. Method of Evaluation**

Student learning will be based on tests, exams, homework, research assignments, and oral presentations. NMC's grading and attendance policies will be followed.

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### 7. Course Outline

This is a topical outline and does not necessarily indicate the sequence in which the material will be presented.

- 1.0 Overview of Financial Management
  - 1.1 Roles and objectives
  - 1.2 Ethical principles
  - 1.3 Evaluation of financial management principles
  
- 2.0 Components Analyzed in Evaluating a Business
  - 2.1 The economy
  - 2.2 The industry
  - 2.3 Operations management and supply risk
  - 2.4 Marketing management and demand risk
  - 2.5 Human resource management and strategy
  
- 3.0 Components of Financial Statements
  - 3.1 Balance sheets
  - 3.2 Income statements
  - 3.3 Cash flow statements
  
- 4.0 Measuring and Organization's Financial Performance
  - 4.1 Evaluating performance measures
  - 4.2 How to read an annual report
  
- 5.0 How to Manage Day-To-Day Cash Flow
  - 5.1 Cash flow cycle
  - 5.2 Working capital measurement
  - 5.3 Short-Term financing
  
- 6.0 How to Project Financial Requirements and Managing Growth
  - 6.1 Generating pro forma income statements
  - 6.2 Generating pro forma balance sheet
  - 6.3 Generating pro forma cash budgets
  - 6.4 Performing sensitivity analysis
  - 6.5 Understanding sustainable growth and managing growth
  
- 7.0 Time Value of Money
  - 7.1 Time value of money concepts
  - 7.2 Applying time value of money concepts to financial securities
  - 7.3 How common equity relates to time value of money

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- 8.0 Making Investments Decisions
  - 8.1 Understanding the decision-making process
  - 8.2 Capital budgeting techniques
  - 8.3 Capital budgeting extensions
  
- 9.0 Long-Term Financing Instruments
  - 9.1 Bonds
  - 9.2 Preferred shares
  - 9.3 Common stock
  - 9.4 Market efficiency
  
- 10.0 Assessing the Cost of Capital
  - 10.1 Implications
  - 10.2 Defining risk
  - 10.3 Estimating the cost of debt
  - 10.4 Estimating the cost of preferred shares
  - 10.5 Estimating the cost of equity
  - 10.6 Estimating component weights
  - 10.7 Hurdle rates
  
- 11.0 Understanding Financing and Payout Decisions
  - 11.1 Capital structure overview
  - 11.2 Does capital structure matter?
  - 11.3 Understanding payout policies
  
- 12.0 Designing an Optimal Capital Structure
  - 12.1 Factor affecting financing decisions
  - 12.2 Tradeoffs
  
- 13.0 Measuring and Creating Value
  - 13.1 The Book Value plus Adjustments Method
  - 13.2 The Discount Cash flow Analysis Method
  - 13.3 Relative valuations and comparable analysis
  - 13.4 Creating value and value-based management
  - 13.5 Valuing mergers and acquisitions

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### 8. Instructional Goals

The course will introduce students to:

- 1.0 The tools that are used to value investment projects and companies (valuation);
- 2.0 The basic issues involved concerning how firms should raise funds for their real investments (financing); and
- 3.0 How investment and financing decisions are related.

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**9. Student Learning Outcomes**

Upon successful completion of this course, students will be able to:

- 1.0 Analyze the extent to which external and internal factors effect business outcomes;
- 2.0 Assess profitability, resource management, liquidity, and leverage in measuring a firm's level of financial performance;
- 3.0 Analyze how a firm's effectiveness in managing short-term financial obligations can affect long term success;
- 4.0 Develop financial statements which can assist in projecting growth within a firm;
- 5.0 Evaluate the time value of money and its importance to firm growth;
- 6.0 Evaluate long term financial needs in relation to managing risk; and
- 7.0 Apply the financial management framework to an existing company in order to access value creation.

**10. Assessment Measures of Student Learning Outcomes**

Assessment of student learning may include, but not be limited to, the following:

- 1.0 Tests;
- 2.0 Exams;
- 3.0 Homework;
- 4.0 Research Assignments;
- 5.0 Class Participation; and
- 6.0 Oral Presentation