1. Course Overview

1.1 Description from Course Catalog
This course focuses on the introduction of concepts, methods, and problems of accounting and financial analysis.

1.2 Introduction
The course includes accounting principles, measurement, disclosure issues, financial statement analysis, time value of money, cash flow projection and analysis, capital budgeting, project valuation, bond and equity valuation, cost of capital, and capital structure.

2. Basic Information

2.1 Schedule
Classroom: PHO 201 - Photonics Building, 6-8 St Mary’s Street; Classroom 201
Dates and Times: Monday’s and Wednesday’s from 6:00 pm to 9:30 pm
The course will be taught as a 3 ½ hour class, with one 15 to 20 minute break

2.2 Instructor
Luis Moreno is a part-time Lecturer who has been teaching in Europe and in the US since 1998. PhD by the UAM in Madrid and MBA at INSEAD, Mr. Moreno currently holds a position of Director at Banco Santander

Contact information: lmoreno1@sovereignbank.com or luis.moreno@alumni.insead.edu

Office hours: Before and after each class and by appointment

2.3 Format of the Class:
We will cover textbooks and exercises in class balancing between theory and practices as we go. We will go over the assigned exercises and problems in class

✓ Overview of what will be discussed
✓ Review of current events in the first class of each week. The focus will be especially on those issues impacting the financial and accounting industry
✓ Any questions on anything that has been covered up to the date of the class
✓ New material
✓ Overview of the next class

3. Text & Materials

3.1 Required Texts
During the course will be using two texts books:


Finance, to be communicated

PLEASE BRING BOOKS TO CLASS!

3.2. Other Required Materials
Calculator: A calculator will be an essential tool for this course. Calculators, at a minimum, should have standard statistical functions, but one with specialized financial functions would be preferable. Examples would be the Hewlett Packard HP12C and the Texas Instruments TI BAII Plus. Casio and Sharpe also offer good products.

You should also have access to and familiarity with EXCEL. Many of the problems and assignments will be facilitated with the use of EXCEL. However, access to EXCEL will not be available during either examination.

4. Course Learning Objectives

4.1 Course Goals and Objectives
This course is an introduction to the concepts, methods, and problems in accounting and financial analysis. The course includes accounting principles, measurement and disclosure issues, financial statement analysis, time value of money, cash flow projection and analysis, capital budgeting and project evaluation, bond and equity valuation, cost of capital, and capital structure.

Most of these elements are equally applicable whether used to actively manage a business (or government entity or not-for-profit organization) or to analyze a business for investment purposes
The course will focus on important tools necessary for undertaking any type of financial analysis and the application of these tools. Homework exercises will be due almost every class and the student’s ability to manipulate the tools and techniques to derive meaningful insight into problems at hand will be the determination of success.

4.2 Course Learning Objectives

After you have completed this course, you will be able to:

- Identify and understand the concepts and principles of financial accounting
- Understand the key concepts of the primary financial statements (the Balance Sheet, Income Statement, Statement of Retained Earnings, and Statement of Cash Flow), their interrelationships, and how individual transactions affect and are reflected in the financial statements
- Undertake an examination of financial statements, drawing information and understanding regarding a particular company
- Determine what opportunities and risks face the company going forward and its ability to meet these opportunities and overcome the risks
- Appreciate the qualitative aspects of financial analysis as well as the quantitative ones. Understand the concepts of the time value of money and how interest rates and time play key roles in determining value
- Identify the components of interest rates – the real rate of interest, inflation, default or credit risk, liquidity and maturity risks. Understand how important economic and financial variables affect the relevant rate of interest
- Appreciate how investors define return and risk from investments and various techniques used to understand the interaction of these two investment factors and means of assessing the balance between risk and reward and how risk can be mitigated through portfolio diversification
- Calculate the value for principal types of securities – common equity and debt instruments. Understand how the terms, conditions, and characteristics of such securities affect that value
- Calculate the cost of capital which companies incur in issuing equity and debt
- Apply the principal tools for evaluating capital projects and budgeting – the net present value, internal rate of return, payback period, etc. and the similarities and differences among these various tools
- Undertake cash flow projections using standardized tools and methods, appreciating the uncertainties associated with each of these methods
- Understand factors affecting the capital structure of a company and how this structure affects both the return and risks to the company as a whole and the investors

4.3 Course Expectations and Delivery Mode

Learning will be accomplished via a combination of lectures, readings, problem solving, written assignments, and discussions. A thirst for knowledge and self-initiative will
complement the formal teaching process. The effectiveness and the results achieved will require your full commitment and interaction.

To complement the classroom experience, it is imperative that all readings and assignments be properly and thoroughly completed prior to each class.

4.4 Course Grading
Your final grade will be the weighted average of the grades for the following components

✓ Active participation in current events, and case discussions – 20%
✓ Homework – 25%
✓ Mid-Term Examination – 30% (Accounting)
✓ Final Examination – 30% (Finance)

Please be aware that the even though the addition of the components represents a total of 105% the grade will be based on a 100% scale

The Academic Policy Committee of Metropolitan College recommends the following guidelines for distinguishing grades

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A or A-</td>
<td>20%</td>
</tr>
<tr>
<td>B+, B, B-</td>
<td>80%</td>
</tr>
<tr>
<td>Other</td>
<td>As merited</td>
</tr>
</tbody>
</table>

4.5 Schedule

| May 22 | Chapter 1 | Multiple Choice. 1-5, 8,9  
MiniExercises. 1,2,3  
Exercises. 1, 2, 3, 4, 5 (1), 6, 8, 10, 11, 12  
Problems. 1, 2, 4  
Cases. 4.1, 5, 6 |
| May 29 | Chapter 2 | Multiple Choice. 1-4, 6, 7  
MiniEx. 1, 3, 4, 8  
Exercises. 1, 8, 11, 12, 16  
Problems. 1, 5.1  
Alternative Problems. 3.1-3.4  
Cases. 7.1 |
| May 31 | Chapter 3 | MiniEx. 1, 2, 3, 4, 5, 6  
Exercises. 1, 2, 3, 4, 7, 8, 9  
Problems. 1, 2  
Alternative Problems. 1 |
### 5.0 Academic Conduct Policy

The academic conduct policy is summarized below. For the full text of the academic conduct code, please go to:

[http://www.bu.edu/met/metropolitan_college_people/student/resources/conduct/code.html](http://www.bu.edu/met/metropolitan_college_people/student/resources/conduct/code.html)

#### 5.1 Academic Conduct Code

I. **Philosophy of Discipline**
The objective of Metropolitan College in enforcing academic rules is to promote the kind of community atmosphere in which learning can best take place. This atmosphere can be maintained only so long as every student believes that his or her academic competence is being judged fairly and that he or she will not be put at a disadvantage because of the dishonesty of someone else. Penalties imposed should be carefully determined so as to be no more or no less than required to maintain the desired atmosphere. In defining violation of this code the intent is to protect the integrity of the educational process.

II. Academic Misconduct
Academic misconduct is conduct by which a student misrepresents his or her academic accomplishments or impedes other students' chances of being judged fairly for their academic work. Knowingly allowing others to represent your work as theirs is as serious an offense as submitting another's work as your own.

III. Violations of this Code
Violations of this code are acts that constitute an attempt to be dishonest or deceptive in the performance of academic work in or out of the classroom. To alter academic records, or to collaborate with another student or students in an act of academic misconduct. Violations include but are not limited to:

A. Cheating on examinations. Any attempt by a student to alter his or her performance on an examination in violation of that examination's stated or commonly understood ground rules.

B. Plagiarism. Any attempt by a student to represent the work of another as his or her own. Plagiarism includes each of the following: copying the answers of another student on an examination, copying or substantially restating the work of another person or persons in any oral or written work without citing the appropriate source, and collaboration with someone else in an academic endeavor without acknowledging his or her contribution (see below for a more detailed definition of plagiarism).

C. Misrepresentation or falsification of data presented for surveys, experiments, etc.

D. Theft of an examination. Stealing or otherwise discovering and/or making known to others the contents of an examination that has not yet been administered.

E. Unauthorized conversation is not allowed during examinations. Any unauthorized conversation may be considered prima facie evidence of cheating.

F. Knowingly allowing another student to represent your work as his or her own.

G. Forgery, alteration, or knowing misuse of graded examinations, grade lists, or official University records or documents, including but not limited to transcripts, letters of recommendation, degree certificates, alteration of examinations or other work after submission.

H. Theft or destruction of examinations or papers after submission including purposefully altering possible poor performance.

I. Submitting the same work in more than one course without the consent of the instructors involved.
J. Altering or destroying another student's work or records, altering records of any kind, removing materials from libraries or offices without consent, or in any way interfering with the work of others so as to impede their academic performance.

K. Failure to comply with the sanctions imposed under the authority of this code.