



Plano de Ensino – Atividades Remotas Emergenciais

Disciplina: CAD954: Seminário em Finanças – Foundations of Financial Management

CARGA HORÁRIA: 30 horas/aulas – 2 créditos

PERÍODO LETIVO: 1º Semestre de 2020

Datas: 10 e 17/03; 04, 11, 18, 25/08; 01 e 08/09.

AULAS: Terça-feira – 13h30 às 17h15

PROFESSOR: Antônio Artur de Souza, Ph.D.

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Course Overview and Objectives

Foundations of Financial Management is an introductory level course intended to provide a thorough grounding in the basic concepts of corporate finance. The course relates theory to current business practice and requires students to be able to use basic financial formulas and numerical financial data. A basic understanding of management is desirable.

The content of this course provides a basic insight into the financial management of companies. The following topics are comprised in this course: time value of money, discounted cash flow techniques, bond and equity valuation, techniques for making capital investment decisions, project analysis and evaluation, cost of capital, short-term capital management, an introduction to the relationship between risk and return and to the Capital Asset Pricing Model.

Teaching form and class activities

Due to the Covid pandemic, we had to stop our class after the second session. We will now continue the classes in an online format. The classes will remain on Tuesdays afternoon, starting at 1:30 p.m. The difference they that we will be online only up to 4 o'clock p.m., because the online session will be very tiring. During the remaining time of our class time, from 4 to 5:15 p.m., students will have to study on their own, using the Moodle platform. The online classes will use Microsoft Teams or Google Meet.

This class is a seminar class and participation is expected from all students. You are responsible for reading the assigned materials prior to class and being prepared to participate actively in class discussions. Participation grades are based both on quality and on quantity.

This class requires regular preparation and participation by all students. As we are going to have the remaining classes in an online mode, the participation will inevitably be limited in the virtual session. However, we will now have discussion forums on the Moodle platform. The instructor will serve as a convener and facilitator rather than lecturer. The course necessitates that students assume a more active, responsible role in learning than has been possible in previous classes. Students are expected to be active on the Moodle platform, participating on the discussion forums and posting their productions.

The following are necessary tasks, beginning in the fourth class: 1) in pairs, during our online class, present the text previously indicated by the instructor; 2) prepare a short paper about the text and post it on Moodle; 3) generate questions and comments to contribute to the presentations made by the colleagues, using the discussion forum on Moodle. From the fourth to the eighth classes there will be presentations by two pairs of students, and the remaining students will contribute by posing questions and remarks, both during the online session and on the discussion forums on Moodle.



Class outlines

1. (10/03) The basic concepts of corporate finance. (a 01, 02) (b 01) Time value of money. (a 04) (b 05, 06, 07)
2. (17/03) Financial statements and analysis. (a 02) (b 03, 04)
3. (04/08) Risk and Return. (a 05) (b 11) Stock, bond and equity valuation. (a 06 e 07) (b 08, 09)
4. (11/08) Cash flow and financial planning. (a 03) Discounted cash flow techniques. (b 15)
5. (18/08) Investment project analysis and evaluation. (a 08) (b 10) Techniques for making capital investment decisions. (a 09)
6. (25/08) Short-term capital management. (a 15)
7. (01/09) Risk in capital budgeting. Cost of capital. (a 10, 11) (b 13, 14)
8. (08/09) Leverage and capital structure. (a 12) (b 16) Capital Asset Pricing Model. (b12)

Observation: For each class, the minimum reading is indicated in between brackets. The letters “a” and “b” represent the two first books (see the Reading Material section, just below).

Assignments & Grading

(1) Class Participation and seminars (15 points); (2) Moodle Forums participation (15 points); (3) 5 weekly topic short papers (6 points each, summing up 30 points), (4) an online written exam (15 points) and (5) a final essay (25 points). Each student should present at least two seminars. Moodle will be as our learning platform and students will use it to post their productions. All productions (short papers and final essay) will have to be posted until one week after our last session.

Reading Material

- (a) GITMAN, L.J. Principles of Managerial Finance. 10^o edition. Addison Wesley, 2002.
- (b) ADAIR, T.A. Corporate Finance Demystified: a self-teaching guide. McGraw-Hill, 2006.
- (c) EHRHARDT, M.C.; BRIGHAM, E.B. Financial Management: Theory and Practice. Southwestern Cengage Learning, 2011.
- (d) Van HORNE, J.C. Financial Management and Policy. Prentice Hall, 2002.
- (e) VERNIMMEN, P. Corporate Finance: Theory and Practice. John Wiley & Sons, 2009.
- (f) BREALEY, R. A.; MYERS, S. C. Principles of Corporate Finance. McGraw-Hill, 2003.
- (g) ADAIR, T.A. Corporate Finance Demystified. McGraw-Hill, 2006.