

**FIN 450 01W  
FINANCIAL ANALYSIS IN EXCEL  
FALL 2014**

**Professor:** Kurtay Ogunc, PhD, MBA, MApStat

**Mobile:** (903) 468-2067

**Office Hours:** Mondays 12-2, Tuesdays 12-3, or by appointment

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**Departmental Policy:** You have to e-mail me from your MyLeo accounts to get a reply, please include the course title in the subject!

**Course Description:**

A review of principles of corporate finance and investment management using Microsoft Excel. Particular emphasis will be given to the following concepts and tools: valuation, capital budgeting, cost of capital, pro forma financial statement analysis, and simulation methods including Monte Carlo and bootstrapping.

**Objectives:**

Upon the completion of Financial Modeling in Excel, students will be able to develop an understanding of any financial relationship and build that into a model using the built-in functions of Excel. Moreover, they will learn how to apply their basic knowledge of financial, investing and statistical concepts into building spreadsheet models.

**Pre-requisite:** FIN 400, Principles of Investments or consent of instructor.

**Required Textbook:** Financial Modeling, 4<sup>th</sup> edition, Simon Benninga, 2014, MIT Press, ISBN: 978-0-262-02728-1

## EXAMS

You can take the exam anytime between the dates listed on the next page, pick the best day and time. Once you open an exam, you have to finish it within the allowable time. Make sure you have fast Internet connection, and do not wait until the exam week to study all assigned chapters! There is no extra credit, but I might curve at the end of the semester before submitting your course grades. Last but not least, as I am giving you the maximum flexibility when to take the exams, there will not be any make-ups. Please plan accordingly, time management is one of the most important aspects of a successful business career.

### **EXAM #1: Chapters 1,2,3,4,5,6**

**October 6-12 (Monday through Sunday)**

### **EXAM #2: Chapters 24,25,26,27,28**

**November 17-23 (Monday through Sunday)**

**PROJECTS Due December 7<sup>th</sup> by 11:59 PM!!!**

## GRADING

<b>90% and above</b>	<b>=</b>	<b>A</b>	<b>Exam #1</b>	<b>=</b>	<b>33%</b>
<b>80 to 89%</b>	<b>=</b>	<b>B</b>	<b>Exam #2</b>	<b>=</b>	<b>33%</b>
<b>70 to 79%</b>	<b>=</b>	<b>C</b>	<b>Project</b>	<b>=</b>	<b>34%</b>
<b>60 to 69%</b>	<b>=</b>	<b>D</b>	<b>Total</b>	<b>=</b>	<b>100%</b>
<b>Less than 60%</b>	<b>=</b>	<b>F</b>			

## WEEKLY SCHEDULE

In addition to the chapters listed below, the following chapters under Section VI in Benninga called "Excel Techniques" are extremely beneficial: Chapter 31: Data Tables; Chapter 33: Excel Functions; Chapter 34: Array Functions; Chapter 35: Some Excel Hints

<b>WEEK 1</b>	
August 25 - 31	Chapter 1: Basic Financial Calculations
<b>WEEK 2</b>	
September 1-7	Chapter 2: Corporate Valuation Overview
<b>WEEK 3</b>	
September 8-14	Chapter 3: Calculating the Weighted Average Cost of Capital
<b>WEEK 4</b>	
September 15-21	Chapter 4: Valuation Based on the Consolidated Statement of Cash Flows
<b>WEEK 5</b>	
September 22-28	Chapter 5: Pro Forma Financial Statement Modeling
<b>WEEK 6</b>	
September 29-October 5	Chapter 6: Building a Pro Forma Model: The Case of Caterpillar
<b>WEEK 7</b>	
October 6-12	<b>EXAM #1: Chapters 1,2,3,4,5,6</b>
<b>WEEK 8</b>	
October 13-19	Chapter 24: Generating and Using Random Numbers
<b>WEEK 9</b>	
October 20-26	Chapter 25: An Introduction to Monte Carlo Methods
<b>WEEK 10</b>	
October 27- November 2	Chapter 26: Simulating Stock Prices
<b>WEEK 11</b>	
November 3-9	Chapter 27: Monte Carlo Simulations for Investments
<b>WEEK 12</b>	
November 10-16	Chapter 28: Value at Risk

<b>WEEK 13</b>	
November 17-23	<b>EXAM #2: Chapters 24,25,26,27,28</b>
<b>WEEK 14</b>	
November 24-30	<b>Thanksgiving Week - Work on Projects</b>
<b>WEEK 15</b>	
December 1-7	<b>Project Due December 7th</b>

**NOTE: THE COURSE OUTLINE IS A GENERAL PLAN FOR THE COURSE. DEVIATIONS MAY BE NECESSARY DURING SEMESTER AND WILL BE ANNOUNCED TO CLASS IN A TIMELY FASHION.**

### **TECHNICAL PROBLEMS AND QUESTIONS**

Personal computer problems **DO NOT** excuse the requirement to complete all course work in a timely and satisfactory manner. Each student needs to have a backup method to deal with these inevitable problems. These methods might include the availability of a backup PC at home or work, the temporary use of a computer at a friend's home, the local library, Office Services such as Kinko's, an Internet cafe, or a bookstore such as Barnes & Noble, etc.

Technical assistance is available 24 hours a day/ 7 days a week. If you have questions related to eCollege, A&M-Commerce's online course management system, click on "TECHNICAL SUPPORT" on the left side of your course screen. An email box will appear. Fill out this technical support form, click submit, and your questions will be forwarded to the technical support staff. A resolution will be sent to you from the technical support staff via email. If at any time you experience technical problems (e.g., you can't log in to the course, you can't see certain material, etc.) please contact the eCollege HelpDesk, available 24 hours a day, seven days a week. The HelpDesk can be reached by sending an email to [helpdesk@online.tamuc.org](mailto:helpdesk@online.tamuc.org) or by calling (866) 656-5511. Additionally, you can click on the "Help" button located at the top of each page for more information.

If you use an Internet Service Provider other than the university, please contact a company representative if you are having difficulty accessing the Internet. Other support questions may be addressed to Computing, Telecommunications, and Information Systems (CTIS). The CTIS help desk is staffed Monday through Friday between 8AM and 5PM, and can be

reached at (903) 468-6000. The after-hours and weekend emergency phone number is (877) 808-1607. When the after-hours support number is dialed, the answering service representative will ask for your name and phone number. The representative will then contact the on-call CTIS technician who should return your call within about 15 minutes.

### **CLASS ETHICS**

You are expected to maintain high standards of integrity and honesty while pursuing your academic goal(s). The university's statement on academic honesty is found in the Texas A&M University-Commerce Procedures, A13.12, Academic Honesty. Academic dishonesty is defined in the following manner:

"Academic dishonesty includes, but is not limited to, plagiarism (the appropriation or stealing of the ideas or words of another and passing them off as one's own), cheating on exams or other course assignments, collusion (the unauthorized collaboration with others in preparing course assignments), and abuse (destruction, defacing, or removal) of resource material."

Moreover, while taking any exam in this course, your **ONLY** outside source of information should be the textbook, your own personal notes, and a financial calculator or a spreadsheet program such as Microsoft Excel, by which to solve financial calculations. You are not allowed to consult with any other reference material or person while taking an exam.

**Students found to have committed academic dishonesty will automatically receive a failing grade for the course and face possible expulsion from the university.**

### **Students with Disabilities**

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for

reasonable accommodation of their disabilities. If you have a disability requiring an accommodation, please contact:

**Office of Student Disability Resources and Services**

**Texas A&M University-Commerce**

**Gee Library**

**Room 132**

**Phone (903) 886-5150 or (903) 886-5835**

**Fax (903) 468-8148**

**[StudentDisabilityServices@tamuc.edu](mailto:StudentDisabilityServices@tamuc.edu)**