COURSE DESCRIPTION

The primary objective of this core course in financial management is to teach students how to use financial information to make decisions in public, health, and not-for-profit organizations. Its secondary objective is to help students develop their Excel skills.

The financial management process begins with an organization developing a plan for the future. The organization then implements the plan and takes steps to control operations so as to keep to the plan. Finally, the organization reports the results of operations so that internal managers and outside observers can analyze the organization’s financial health.

The first half of the course focuses on managerial accounting: tools for developing and implementing the plan. Topics include operating budgets, cash budgets, break-even analysis, cost allocation, variance analysis, the time value of money, capital budgeting, and long-term financing.

The second half of the course focuses on financial accounting: tools for reporting on and analyzing an organization’s financial position and the results of its operations. Major topics include the preparation and analysis of financial statements (balance sheet, activity statement, and cash flow statement), government accounting and financial condition analysis, and ethics in financial management.
TEACHING STAFF

Professors

Cleopatra Charles  
295 Lafayette Street, Room 3023  
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Teaching Colleagues

Mike West (Head TC)  
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Tutors

Luke Heinkel  
ldh255@nyu.edu

(Additional tutors TBA)
PREREQUISITES

The only prerequisite for this course is a basic familiarity with Excel. If you have limited or no experience using Excel, we strongly recommend that you register for the Excel instruction module (P11.1032), which meets for several weeks at the beginning of the semester. Please note that it is up to each student to determine whether or not they are familiar with Excel; taking the Excel module and passing the Excel proficiency exam are not prerequisites for enrollment in this course.

COURSE MATERIALS

Textbook


Calculator

You must have a calculator that can do time value of money calculations (it must have buttons labeled PV, FV, PMT, and NPV). If you do not already have such a calculator, please buy a HP10 BII. This calculator is available at the NYU Professional Bookstore and many other locations such as Staples and Amazon.com. If you choose to use a different financial calculator, please be advised that the professors, TCs, and tutors will not be able to assist you with your calculator. You should retain your calculator for use in future courses.

COURSE WEBSITE

The course website can be found on NYU’s Blackboard system ([http://classes.nyu.edu](http://classes.nyu.edu)). Throughout the semester, we will post documents such as lecture slides, homework solutions, and practice exams to this site. In addition, we will occasionally send e-mails about course logistics to your NYU e-mail account through the Blackboard system. Therefore, you should check both the course website and your NYU e-mail account on a regular basis.
GRADING

Your course grade will be determined as follows:

Homework assignments: 20% of grade
Mid-term examination: 40% of grade
Final examination: 40% of grade

Each exam will last two hours and thirty minutes. The final exam is not cumulative; it covers the second half of the course only. You may bring a calculator and one 8 ½-by-11 page of notes (front and back) to both the midterm and the final exam. Your notes may be either typed or handwritten. There are no restrictions on the font size or the contents of your page of notes. You will be asked to hand in your notes with the completed exam. Students with disabilities should contact both the Head TC and the CSD (http://www.nyu.edu/csd) as soon as possible to make exam-taking arrangements.

HOMEWORK ASSIGNMENTS

There are a total of 12 assignments, each worth 1%-3% of your course grade.

Assignments are graded on the basis of completeness rather than accuracy. If you do not complete the entire assignment, you will not receive full credit.

Assignments are due at the beginning of lecture. At the end of each lecture, the professor will spend a few minutes going over the solutions to the assignment you just turned in. It is optional to stay for this discussion.

Assignments will not be accepted by email. If you need to miss lecture, you may either leave your assignment in your professor’s mailbox before class begins or arrange for a classmate to submit it for you in class. (If you attend a different lecture that meets earlier in the week, you must submit your homework to your professor’s mailbox before attending that lecture.) Late assignments will not receive any credit except in extreme circumstances such as serious medical emergencies.

Assignments must be typed and stapled. Handwritten assignments will not receive any credit. You must complete the quantitative parts of your assignments in Excel and the written parts in Excel or Word. Excel templates will be provided for some assignments (posted on the course website under Assignments / Templates).

Each student must write and submit his or her own assignment. We encourage you to work on the assignments in small groups, but two or more students turning in identical homework assignments constitutes cheating and will be reported to the administration and subject to disciplinary action.
COURSE RULES AND REQUIREMENTS

1. To do well in this course, you must devote a minimum of ten hours per week (three hours of lecture, one hour of discussion session, and about six hours of reading and working on assignments). Please keep in mind that the material presented in the course builds cumulatively. Do not fall behind. Most students who fall behind find it very hard to catch up.

2. If you need to miss class, you do not need to notify your professor. We do not take attendance. However, you are responsible for finding out what you missed—including any announcements made in class—from one of your classmates. If possible, you should try to attend a different lecture that week; you do not need to ask for that professor’s permission in advance. However, you may not turn in your homework to a different professor—see the previous page for instructions on submitting homework.

3. There are no extra credit assignments and no make-up exams. Please note the dates of the midterm and final exams on the following page; if you have a conflict please do not enroll in the course at this time.

4. If you have logistical questions, please check the syllabus and website before emailing the teaching staff! You can find the answer to almost every conceivable question in the syllabus or on the website.

5. The Wagner School has a strict policy regarding incompletes. The grade of "Incomplete Pass" will only be available in extreme circumstances such as serious medical emergencies. Students may withdraw from the course up until the date set by the Registrar. Students who withdraw will receive a grade of W and will have to pay for the course again when they retake it.

6. Academic dishonesty is unacceptable and will not be tolerated. Cheating, forgery, plagiarism and collusion in dishonest acts undermine the School’s educational mission and your own personal and intellectual growth. You are expected to bear individual responsibility for your work and to uphold the ideal of academic integrity. Any student who attempts to compromise or devalue the academic process will be reported to the administration and subject to disciplinary action.
LECTURES

Lectures will meet on the following dates (room locations are listed on the course website):

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<tr>
<th>Jan 21</th>
<th>Class 1</th>
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<td>Mar 4</td>
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<td>May 6</td>
<td>Class 15 - Final Exam</td>
<td>May 7</td>
<td>Class 15 - Final Exam</td>
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DISCUSSION SESSIONS

In addition to the lectures, there are optional one-hour discussion sessions led by Teaching Colleagues (TCs). Discussion sessions are designed to help prepare you for the homework assignments. You may attend the discussion session of your choice, but you must attend a discussion session after attending that week’s lecture. The Monday and Tuesday sessions cover the material from the previous week’s lecture, so anyone may attend. Discussion sessions will meet on the following dates (room locations are listed on the course website):

<table>
<thead>
<tr>
<th>Wednesdays 3:30 - 4:30 (Karthik)</th>
<th>Thursdays 3:30 – 4:30 (West)</th>
<th>Fridays 12:30-1:30 (Snider)</th>
<th>Mondays 8:35-9:35 pm (Shiau)</th>
<th>Tuesdays 8:35-9:35 (Clark)</th>
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<td>Mar 4 None (Midterm Exam)</td>
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<td>Mar 9 None (Midterm Exam)</td>
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<td>May 1 Class 14</td>
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COURSE OUTLINE

Reading assignments must be completed before each lecture. (Note that you have a reading assignment
for the first class!) You are not required to read the chapter appendices with the exception of 13-A, as
noted below. Handout readings can be found on the course website under Course Documents / Lecture
Slides and Handouts.

Homework assignments can be found on the course website under Assignments. Each assignment
consists of (1) analytical problems based on the previous week’s readings and lecture, and (2) reading
comprehension questions based on the current week’s readings. Solutions will be posted on the course
website each week after the last lecture has met (Thursday nights).

Practice problems covered in discussion sessions can be found in the textbook. These problems are
designed to help you prepare for the following week’s homework assignment. Practice problems are not
to be turned in for credit. Solutions will be posted on the course website each week after the last
discussion session has met (Tuesday nights).

CLASS 1: OPERATING BUDGETS & CASH BUDGETS
Read before class: Chapter 1, Chapter 2 up to p. 59, and “Excel and Calculator Tips 1” handout
Homework #0 due: Student Bio Sheet (on the course website under Assignments)
Discussion session: Practice problem: 2-15

CLASS 2: OPERATING BUDGETS (CONTINUED) & BREAK-EVEN ANALYSIS
Read before class: Chapter 3 up to p. 85 and Chapter 4 up to p. 144
Homework #1 due: Haven House (2% of course grade)
Discussion session: Practice problems: 4-14 and Mead Meals on Wheels Case Study (p. 164)

CLASS 3: COST ALLOCATION & VARIANCE ANALYSIS
Read before class: Chapter 4, p. 144-end; Chapter 7 up to p. 291
Homework #2 due: Net Works (2% of course grade)
Discussion session: Practice problems: 7-27 and 7-28
CLASS 4:  THE TIME VALUE OF MONEY
Read before class:  Chapter 5 up to p. 184 and “Excel and Calculator Tips 2” handout
Homework #3 due:  Franklin Center (2% of course grade)
Discussion session:  Practice problems: 5-16 through 5-22

CLASS 5:  CAPITAL BUDGETING & LONG-TERM FINANCING
Read before class:  Chapter 5, p. 184-end (you may skip NIC and TIC on pp. 206-207)
Homework #4 due:  Personal Investments (1% of course grade)
Discussion session:  Practice problems: 5-25, 5-26, 5-30, 5-32, 5-33, 5-35, 5-42

CLASS 6:  GOVERNMENT BUDGETING & MIDTERM REVIEW
Read before class:  Chapter 2, p. 59-end
Homework #5 due:  City of Springfield (2% of course grade)
Discussion session:  Practice problems from old midterm exams

CLASS 7:  MIDTERM EXAM

CLASS 8:  THE BALANCE SHEET
Read before class:  Chapter 6 and Chapter 8
Homework #6 due:  Healthy Harvest (1% of course grade)
Discussion session:  Q&A about midterm solutions; practice problems: 8-23, 8-24, 8-25

CLASS 9:  THE ACTIVITY STATEMENT
Read before class:  Chapter 9 up to p. 366
Homework #7 due:  Community Clinic (1% of course grade)
Discussion session:  Practice problems: 9-15, 9-16A, 9-16B
CLASS 10: THE CASH FLOW STATEMENT
Read before class: Chapter 9, p. 366-end
Homework #8 due: WPR Public Radio (2% of course grade)
Discussion session: Practice problems: 9-16C, 9-17, cash flow statement for WPR Public Radio

CLASS 11: ACCOUNTING FOR NOT-FOR-PROFIT AND HEALTH ORGANIZATIONS & ETHICS IN FINANCIAL MANAGEMENT
Read before class: Chapter 10; Chapter 7, p. 291-end
Homework #9 due: Mozart Music School (2% of course grade)
Discussion session: Practice problems from old final exams

CLASS 12: FINANCIAL STATEMENT ANALYSIS
Read before class: Chapter 12
Homework #10 due: Urban University (1% of course grade)
Discussion session: Practice problem: 12-10

CLASS 13: ACCOUNTING FOR STATE AND LOCAL GOVERNMENTS
Read before class: Chapter 11
Homework #11 due: Teach for America (3% of course grade)
Discussion session: Practice problem: 11-10

CLASS 14: GOVERNMENT FINANCIAL CONDITION ANALYSIS & FINAL REVIEW
Read before class: Chapter 13 and Appendix 13-A
Homework #12 due: Wagner City (1% of course grade)
Discussion session: Practice problems from old final exams

CLASS 15: FINAL EXAM