

**COURSE CODE:** BUAD 296

**COURSE TITLE** Long Term Capital Management

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## Calendar Description

An introduction to the long -term treasury functions of business: namely, the raising of long -term capital and the evaluation of proposals for the investment of this capital. Topics include the time value of money; risk versus return; the cost of capital; capital budgeting; leasing versus purchasing; capital markets; financing with common stock, preferred stock, bonds, and retained earnings; convertible securities and warrants (also offered by Distance Education).

**Prerequisite(s)** : MATH 114



## Learning Outcomes

Outcome	Upon completion of this course students will be able to:
1	Evaluate the funding of large capital projects by calculating the weighted average cost of capital under different corporate structures.
2	Use Net Present Value and Internal Rate of Return techniques to evaluate proposed capital projects as well as bond refunding and lease-versus-purchase decisions.
3	Evaluate risk using the standard deviation, the coefficient of variation of returns, and the portfolio effect.
4	Explain various terms relating to capital markets and the functions of dealers and underwriters.
5	Apply the marginal principle of retained earnings and residual theory to dividend declaration decisions.
6	Calculate the effects of stock dividends, stock splits, and stock repurchases on overall shareholder wealth.
7	Evaluate corporate investment decisions involving call and put stock purchase options, stock purchase warrants, and forward contracts used as investments and/or hedges.
8	Evaluate the viability of corporate mergers.
9	Explain issues involved in international financial management and perform calculations involving foreign exchange rates.

## Course Objectives



## Course Schedule

(Subject to change at the discretion of the professor)

Date	Topic	Textbook
2024 Class	Monday, May 13, First day of class Friday, May 17, Last day to register for Summer Session I 2024 Wednesday, May 29, Last day to withdraw from class without academic penalty Friday, June 21 Last day of class Tuesday, June 25 Wednesday, June 26, Final exam period for Session I	Chapter(s):
May 14	14	

