MISSION

If you've ever wondered what it takes to analyze and manage companies like a CFO or a successful investor like Warren Buffett, this is the course for you. It will help you develop the financial management skills needed to analyze the competitive strengths and financial health of companies, and from that analysis, gain a better understanding of the financial strategies needed to compete and win. You will leverage your new skills to: (a) become a more strategic manager, and (b) improve your financial communication abilities when dealing with senior professionals, including CFOs.

COURSE OVERVIEW

Value results from creating and protecting a competitive advantage that leads to profitable and stable growth. Sustaining that value over the long term requires sound management of financial resources in order to maximize returns and mitigate risks. This is accomplished, in part, through building a better understanding of the tools that financial professionals use to manage cash, increase sales, raise prices, and maximize returns. A critical component of all of this is identifying and managing key performance metrics to improve operations, increase margins, and outpace the competition.

In pursuing these goals, financial leaders must also understand the internal and external risks the organization faces, and deploy process controls to manage these risks without unduly limiting the organization's ability to grow the business.

This course builds on the financial and accounting principles covered in JWI 530, the managerial economic concepts covered in JWI 515, and the operations management tools covered in JWI 550. You will also build a foundation for the corporate strategy topics you will explore in JWI 540. To help you develop your financial leadership skills, this course includes multiple resources to support your learning journey, including examples of best practices presented in the textbook as well as in articles and videos – and, of course, your professor will be available for help as needed.

INSTRUCTIONAL MATERIALS

Required Resources

- Bragg, Steven M. (2020) The CFO Guidebook, 4th Edition: Accounting Tools, Inc. Centennial Colorado ISBN-13:978-1-64221-048-4
- Morningstar Analyst Reports
- MarketWatch website

Additional Resources (provided within the course)

- Videos and lectures
- Key terms checklists
- Supporting articles and other references

COURSE LEARNING OUTCOMES

1. Evaluate the qualities of effective corporate governance
2. Explain the influence of leverage and risk on financial planning
3. Apply financial analysis tools to evaluate a company's success
4. Distinguish among the various stages of the corporate lifecycle
5. Develop a corporate strategy based on basic financial reports
6. Use technology and information resources to research issues in advanced financial management
7. Write clearly and concisely about advanced financial management using proper writing mechanics

CONTACT INFORMATION FOR PROBLEMS OR ISSUES

- Have a curriculum-related question? Contact your instructor for assistance.

- Have a technology-related question? Contact JWMI Tech Support at (888) 596-5964 x3 or techsupport@jwmi.com.

- Have a student services-related question? Contact Student Services at (703) 561-2128 or stusupport@jwmi.com

OUR APPROACH

While this is a finance course, we are not going to spend the entirety of the ten weeks crunching numbers and doing math. Instead, we will focus on important financial concepts, key practices, and *what the numbers mean when developing strategy*. This course will give you tools that will empower you as a leader to take your business forward. Whether or not you aspire to a senior role in finance, this course will help you crack the code of financial lingo, understand how investors value companies, and better understand how and why your own company manages its finances as it does. This course will teach you how to:

1. **Evaluate the Qualities of Effective Corporate Governance**
   Companies have formal management structures, and managers are motivated and compensated for the performance the company achieves.

2. **Explain the Influence of Leverage and Risk on Financial Planning**
   All businesses must accept some degree of risk in order to win. The questions are: (a) what is the right kind of risk to take relative to a potential reward, and (b) how can we mitigate that risk?

3. **Apply Financial Analysis Tools to Evaluate a Company's Success**
   Through online resources, 10-K annual reports, and analyst reports, we have access to almost unlimited data to help answer the questions of: (a) how well are we doing relative to the competition, and (b) what can we do to further maximize the value of our company?

4. **Distinguish among the Various Stages of the Corporate Lifecycle**
   Correctly assessing where your company is and what its growth objectives are is critical to being successful. For example, companies that are in startup mode manage their finances and operations differently than those that are mature or in decline.

5. **Develop a Corporate Strategy Based on Basic Financial Reports**
   Finance is a tool used to create and monitor corporate strategy. Companies can create the best visions in the world, but they can't bring them to life without understanding the financial consequences.

6. **Use Technology and Information Resources to Research Issues in Advanced Financial Management**
   There are dozens of great sources of information on companies. This course will introduce you to several that we will leverage in our activities and assignments.

7. **Write Clearly and Concisely about Advanced Financial Management Using Proper Writing Mechanics**
   Finance writing gets to the point. It uses facts, figures, and tables, and it presents problems, alternatives, and recommendations that are based on economic and financial principles.

COURSE SNAPSHOT

Week	Main Themes
1. Let's Make Some Money	We begin our course with an exploration of the roles and responsibilities of financial leadership in corporations, examining the partnerships among the CFO, CEO, and business leaders in managing the financial resources needed to drive growth and achieve the organization's mission.
2. Defending Your Castle	Managing risk to generate above-average returns is the goal of investors and managers. We review the most common risks businesses face and what can be done to mitigate the negative impact if these risk events occur.
3. Measuring What Matters	Financial leaders have an important role to play in quantifying, analyzing, and communicating the key performance indicators that are most important to running the organization and strengthening its competitive advantage.
4. Mergers, Acquisitions, and Valuation	Sound financial guidance is critical in helping CEOs, boards, and business strategists assess the value of potential acquisition targets, quantify synergies and growth opportunities, and work with operators to integrate the organizations post-merger.
5. Forecasting and Planning	Developing a strategic plan without a solid financial foundation is a recipe for disaster. We examine how financial professionals should work with managers and other business leaders to evaluate market opportunities and develop a growth model based on accurate forecasts and management of risks.
6. Strategy and Capital Budgeting	After developing the strategic plan, it's time to build a capital budget that will allow the plan to be realized. This week, we focus on the alternatives and rationales that CFOs have to consider in making wise budgeting decisions.
7. Is Cash Really King?	Cash flows through organizations in numerous ways that are not always immediately connected to the daily operation of the business. Cash may be held in reserves for deployment when new opportunities arise or as a safety net for economic downturns. We examine ways to put cash to work and minimize the inefficiencies of poor cash management practices.
8. Show Me the Money	When companies need to raise funds for new initiatives, they typically have two choices – borrow it or exchange partial ownership (equity) for it. Each has advantages and disadvantages. This week, we explore debt and equity financing and how each can impact the valuation of the organization.
9. Welcome to Wall Street	Understanding the role of capital markets in raising funds for the operation and growth of the business is critical to sound financial leadership. We discuss the pros and cons of going public, and why developing your market knowledge can make you both a better investor and a better steward of your company's finances.
10. Investor Relations	We draw the course to a close by discussing the roles and responsibilities of the CEO and CFO in the accurate communication of the financial health of the organization. We also explore how shareholder engagement can help build a more competitive organization.

GRADED ACTIVITIES

To ensure the topics we cover make sense and you come away from the course with real tools you can use, we will leverage <u>four</u> types of activities which, together, will comprise your final grade:

1. **Knowledge Checks** are brief 10-item quizzes designed to test your understanding of key terms and principles presented throughout the course. These occur in weeks 2, 4, 6, and 8, and are directly connected to the topics covered in that week and the previous week.

2. **Assignments** are due in weeks 3, 6, and 9, and are focused on examining the financial performance of publicly-traded companies. The assignments will have two components to them.

   A. A <u>Worksheet</u> where you will gather data (key metrics, ratios, and other financial data) to apply the tools and concepts covered in the course.

   B. An open-response <u>Analysis and Recommendation</u> section for you to summarize your findings and present your answers and recommendations based on several guiding questions.

3. **Discussion Questions** are designed to help you explore the financial health and strategy of *your* company, and to develop and defend an evaluation of financial practices. The DQs are opportunities to reflect on course topics in light of current events through the selection of, and commentary on, articles from the *Wall Street Journal* and other reputable news sources.

4. The **Stock Investment Game** is a fun and interactive way to improve your research and investment skills by assembling a stock portfolio of companies based on moat strength, and then managing your portfolio to adjust for changes in market conditions and news about your holdings.

COURSE OUTLINE

This 4.5 credit-hour Masters-level course is designed with the goal of having each student spend 10-15 hours (13.5 hours on average) in weekly work. This includes preparation, activities, discussions, and assignments; live or online; individual or in groups.

Week	Preparation, Activities, and Evaluation
1	**LET'S MAKE SOME MONEY** **Learning Outcomes** • Discuss the role financial management plays in the strategic development of the organization • Examine the role of Chief Financial Officer and other key financial leadership and governance roles • Learn key financial terms and concepts **Weekly Materials and Readings** • Week 1 Lecture Notes • *The CFO Guidebook*, Chapter 1: The CFO Position • *The CFO Guidebook*, Chapter 2: Strategic Planning • Additional resources in the Weekly Materials module in Blackboard **Activities** • Watch Experts of Practice and instructional videos • Visit Morningstar.com • Discussion: *Two Rules of Investing* **Assignments** • None

Week	Preparation, Activities, and Evaluation
2	**DEFENDING YOUR CASTLE** **Learning Outcomes** • Explore the role of risk management in business • Identify the most common risks that businesses face and how these impact growth and stability • Examine the risk management tools that CFOs and other finance leaders can use to mitigate risk and maximize growth **Weekly Materials and Readings** • Week 2 Lecture Notes • *The CFO Guidebook*, Chapter 3: Risk Management • *The CFO Guidebook*, Chapter 4: The Control Environment • Additional resources in the Weekly Materials module in Blackboard **Activities** • Watch Experts of Practice and instructional videos • Visit Morningstar.com • Discussion: *Identifying and Balancing Risk and Reward* **Assignments** • Knowledge Check #1 • MarketWatch Stock Investment Game: Register and Submit Initial Stock Picks

Week	Preparation, Activities, and Evaluation
3	**MEASURING WHAT MATTERS** **Learning Outcomes** • Identify the most important financial metrics and ratios used to track performance • Analyze key operating measures to assess efficiency and return • Communicate financial data to stakeholders to improve performance **Weekly Materials and Readings** • Week 3 Lecture Notes • *The CFO Guidebook*, Chapter 5: Performance Management • Additional resources in the Weekly Materials module in Blackboard **Activities** • Watch Experts of Practice and instructional videos • Visit Morningstar.com • Discussion: *Measuring What Matters* **Assignments** • Assignment 1: *Enterprise Risk Management and Moat Strength*

Week	Preparation, Activities, and Evaluation
4	**MERGERS, ACQUISITIONS, AND VALUATION** **Learning Outcomes** • Examine the potential financial benefits of mergers and acquisitions • Explore methodologies to value an acquisition target • Assess the advantages and disadvantages of different ways to fund an acquisition **Weekly Materials and Readings** • Week 4 Lecture Notes • *The CFO Guidebook*, Chapter 6: Mergers and Acquisitions • Additional resources in the Weekly Materials module in Blackboard **Activities** • Watch Experts of Practice and instructional videos • Visit Morningstar.com • Discussion: *To Merge or Not to Merge…?* **Assignments** • Knowledge Check #2

Week	Preparation, Activities, and Evaluation
5	**FORECASTING AND PLANNING** **Learning Outcomes** • Explore the challenges of forecasting in developing a sound financial plan • Assess the reliability and application of key predictive indicators • Evaluate options for goal setting and compensation relative to forecasts **Weekly Materials and Readings** • Week 5 Lecture Notes • *The CFO Guidebook*, Chapter 7: Budgeting and Forecasting • Additional resources in the Weekly Materials module in Blackboard **Activities** • Watch Experts of Practice and instructional videos • Visit Morningstar.com • Discussion: *Forecasting* **Assignments** • MarketWatch Stock Investment Game: Mid-Point Update

Week	Preparation, Activities, and Evaluation
6	**STRATEGY AND CAPITAL BUDGETING** **Learning Outcomes** • Apply capital budgeting tools to support the organization's strategy • Manage budgets through progress analysis and updates • Examine the role of financial leadership and culture in aligning budgets to strategy **Weekly Materials and Readings** • Week 6 Lecture Notes • *The CFO Guidebook*, Chapter 9: Capital Budgeting • Additional resources in the Weekly Materials module in Blackboard <u>Optional</u> • *The CFO Guidebook*, Chapter 8: Product Pricing **Activities** • Watch Experts of Practice and instructional videos • Visit Morningstar.com • Discussion: *Aligning Strategy and Budget* **Assignments** • Knowledge Check #3 • Assignment 2: *Performance Management and Valuation*

Week	Preparation, Activities, and Evaluation
7	**IS CASH REALLY KING?**
	Learning Outcomes
	• Examine the role of cash management strategies to improve forecasts and cash flow
	• Explore best practices and tools of cash management, including cash sweeping and notional pooling
	• Identify the advantages and disadvantages of common investment options
	Weekly Materials and Readings
	• Week 7 Lecture Notes
	• *The CFO Guidebook*, Chapter 10: Cash Management
	• *The CFO Guidebook*, Chapter 11: Investment Management
	• Additional resources in the Weekly Materials module in Blackboard
	Activities
	• Watch Experts of Practice and instructional videos
	• Visit Morningstar.com
	• Discussion: *Putting Cash to Work*
	Assignments
	• None

Week	Preparation, Activities, and Evaluation
8	**SHOW ME THE MONEY** **Learning Objectives** • Explore the reasons organizations need to raise funds in order to grow • Examine the advantages and disadvantages of debt and equity funding • Develop funding strategies that maximize growth and create sustainable financial benefits appropriate to the corporate lifecycle of the business **Weekly Materials and Readings** • Week 8 Lecture Notes • *The CFO Guidebook*, Chapter 12: Fund Raising with Debt • *The CFO Guidebook*, Chapter 13: Fund Raising with Equity • *The CFO Guidebook*, Chapter 14: Credit Rating Agencies • Additional resources in the Weekly Materials module in Blackboard **Activities** • Watch Experts of Practice and instructional videos • Visit Morningstar.com • Discussion: *Welcome to Shark Tank* **Assignments** • Knowledge Check #4

Week	Preparation, Activities, and Evaluation
9	**WELCOME TO WALL STREET**
	Learning Outcomes
	• Explore the advantages and disadvantages of public and private companies • Understand the history and specialization of different stock exchanges • Examine the role of capital markets in investing and creating value
	Weekly Materials and Readings
	• Week 9 Lecture Notes • *The CFO Guidebook*, Chapter 15: Going Public and Going Private • *The CFO Guidebook*, Chapter 16: Stock Exchanges • Additional resources in the Weekly Materials module in Blackboard
	Activities
	• Watch Experts of Practice and instructional videos • Visit Morningstar.com • Discussion: *Going Public*
	Assignments
	• Assignment 3: *Forecasting*

Week	Preparation, Activities, and Evaluation
10	**INVESTOR RELATIONS** **Learning Outcomes** • Explore the role of the CFO in investor relations • Leverage financial reporting and key metrics to guide investment decisions • Review sources of financial information available through technology **Weekly Materials and Readings** • *The CFO Guidebook*, Chapter 17: Investor Relations • *The CFO Guidebook*, Chapter 18: Public Company Financial Reporting • Additional resources in the Weekly Materials module in Blackboard **Activities** • Watch Video Lecture and Experts of Practice • Discussion: *Circle of Competence* • Course Reflection Learning Journal **Assignments** • MarketWatch Stock Investment Game: Synopsis and Final Results
11	**Activities** • Learning Journal

GRADING SCALE – Graduate

Graded Activities	% of Course Grade
Discussion Questions	25
Knowledge Checks (4 Total)	14
Assignment #1 – Enterprise Risk Management and Moat Strength	18
Assignment #2 – Performance Management and Valuation	18
Assignment #3 – Forecasting	18
MarketWatch Stock Investment Game	7
Total	**100%**

ASSIGNMENT OVERVIEW

Our course has three assignments and each is worth 18% of your total course grade. These are <u>due in weeks 3, 6, and 9</u>.

The assignments are designed to help you strengthen your understanding of the key concepts and develop your financial leadership skills so you can apply the tools and principles we cover in the course to real-life situations. Each assignment will require you to:

- Collect key financial data
- Analyze the data and present a brief written synopsis
- Recommend financial strategies to improve performance

The assignments are based on a comparison of two companies: **NVIDIA** (NASDAQ: NVD) and **Intel** (NASDAQ: INTC). Since the assignments will progressively leverage content covered in the course materials, it is essential that you keep up with the weekly readings.

There are two components that must be submitted with each of the assignments:

A. **Worksheet** (worth 30% of the assignment grade)

Each assignment will have a worksheet that will be included in an Excel workbook. The purpose of the worksheets is to help you gather, manipulate, and display financial data in order to create a clear picture of key ratios, trends, and patterns. You will populate the worksheets with actual financial data from real companies that will be drawn from content covered in the course.

B. **Analysis and Recommendations** (worth 70% of the assignment grade)

The second component of each assignment is an opportunity for you to present your analysis of the data gathered in the worksheet. You will be asked to respond to several questions, and to make and defend recommendations for action. The maximum length of your submitted responses should be no more than four pages. Therefore, you should focus on brevity and clarity.

Assignment 1: Enterprise Risk Management and Moat Strength
Due Week 3, Sunday (18% of final grade)

Congratulations! You have just gotten the opportunity of a lifetime to work as a senior financial advisor for Warren Buffett. You will be responsible for conducting financial analyses on two companies Mr. Buffett is reviewing **NVIDIA** (NASDAQ: NVD) and **Intel** (NASDAQ: INTC) and providing recommendations for action to the CFOs of those companies.

Instructions

In this assignment, you will evaluate several risk scenarios and make recommendations on how to position the company for success by putting in place "reasonable" protections against downsides. To prepare for the assignment: (1) download and review the latest annual reports for both companies from the Investor Relations page of each company's website; (2) read the **Shareholder Letter** and the **Risks** section carefully, and (3) read the Morningstar Analyst Reports with particular emphasis on the Moat and Risk sections.

- A. Complete the Assignment 1 Worksheet to create risk profiles for both companies. The guidance for this is found on **pages 27-34** of *The CFO Guidebook*.

- B. Summarize your Analysis and Recommendations by addressing the following questions:

   i. Where is each company in its corporate lifecycle (startup, growth, maturity, or decline)? Explain.

   ii. Based on your review of the analysts' reports and the 10-K reports, which company appears to have more risk? Why?

   iii. Which categories of risk pose the greatest threat to each organization? Why?

   iv. Which company has the stronger economic moat? Explain.

   v. For the company that has the weaker economic moat, what two risk factors should they prioritize to improve their risk mitigation and strengthen their competitive advantage? Make specific reference to the applicable risk management tools discussed on **pages 35-68** of *The CFO Guidebook*.

Submission Requirements

A. Complete and submit the Assignment 1 Worksheet component of the Workbook, along with your written work for Part B, through the assignment link in Blackboard.

B. Format your written responses for Analysis and Recommendation as follows:
- Typed, double-spaced, professional font (size 10-12), including headings and subheadings (to identify main topics and subtopics), with one-inch margins on all sides.
- References must be included and provide appropriate information that enables the reader to locate the original source.
  - o Application and analysis of course materials and resources is expected.
  - o At least one additional source beyond the course materials must be cited to support your analysis and recommendations.
- Include a cover page containing the title of the assignment, your name, the professor's name, the course title, and the date.
- The maximum length is 4 pages, excluding your cover page, completed worksheets, and reference list.

RUBRIC

Weight: 18% of Course Grade	Assignment 1: Enterprise Risk Management and Moat Strength				
CRITERIA	Unsatisfactory	Low Pass	Pass	High Pass	Honors
1. Complete the assignment worksheet **Weight: 30%**	Did not submit worksheet or had fewer than 60% correct data sets entered.	Submitted worksheet had between 60% and 69% correct data sets.	Submitted worksheet had between 70% and 79% correct data sets.	Submitted worksheet had between 80% and 89% correct data sets.	Submitted worksheet had 90% or higher correct data sets.
2. Present synopsis of data **Weight: 30%**	Synopsis was missing, incomplete, inaccurate, or did not align with data.	Synopsis was overly simplistic; restated the data, but did not provide a coherent overview.	Synopsis was good; provided general snapshot of key data, but did not focus on the most critical elements.	Synopsis was very good; focused on the most critical elements with only minor elements unclear/missing.	Data synopsis was excellent; accurately highlighted key data presented in both annual reports and third-party sources.
3. Present and defend sound recommended finance strategies **Weight: 30%**	Recommended strategies were missing, superficial, and/or were not supported by data and analysis. No options were presented.	Recommended strategies were basic or were not supported by data and analysis or tied to desired outcomes. Made minimal reference to options, and did not explain why these were not recommended.	Recommended strategies were good, but lacked clarity on how they could be implemented to drive outcomes. Addressed other options, but was unclear why these were not chosen.	Presented and defended very good finance strategies; solid connection to core finance principles and to real-world circumstances. Very good consideration of viable options with good rationale for why options were not chosen.	Presented and defended excellent finance strategies; exemplary connection to core finance principles and to real-world circumstances. Excellent consideration of viable options with very clear rationale for why options were not chosen.
4. Include appropriate citations and use professional writing standards **Weight: 10%**	No citations provided and/or references to course materials were missing or did not support key content in submission; numerous writing mistakes.	Included some citations and references to course materials, but failed to cite for several key references; contained distracting grammatical or formatting errors.	Citations and references to both course materials and additional sources were properly documented; contained some grammatical and formatting errors.	Citations and references to both course materials and additional sources were properly documented; contained minor grammatical and formatting errors.	Citations and references to both course materials and additional sources were properly documented; free from grammatical and formatting errors; adhered to maximum length.

Assignment 2: Performance Management and Valuation
Due Week 6, Sunday (18% of final grade)

The risk analysis work you did in the first assignment was a great start. It helped to paint a picture of where **NVIDIA** (NASDAQ: NVD) and **Intel** (NASDAQ: INTC) are in their corporate lifecycles, the threats and opportunities each faces, and the defensibility of their economic moats – a metaphor that Buffett loves to use.

In this assignment, you will continue your analysis by comparing key performance management metrics of our two companies, identifying areas of relative strength and weakness, and suggesting ways that each company could improve, thereby increasing its valuation. To do this, you will examine trends in order to identify variances and comparisons to: (1) establish benchmarks, (2) identify best practices, and (3) look for signs of superior performance. This analysis is critical in determining the value of each company, as well as evaluating whether potential acquisition or merger opportunities exist which could create greater value and synergies than those of operating the companies as separate entities.

Instructions

To prepare, reread the Morningstar Analyst's Report and the most recent annual reports for both companies with a particular focus on the **Income Statement** and **Statement of Cash Flows**.

A. Complete the Assignment 2 Worksheet to compare key performance metrics and ratios for both companies in order to see how performance can be impacted by manipulating certain financial levers. The guidance for this is found on **pages 83-106** of *The CFO Guidebook*.

B. Summarize your Analysis and Recommendations by answering the following questions:

    i. Performance Metrics:
        a. Which company is a more efficient generator of income?
        b. Which company is growing faster?
        c. Using financial health ratios, which company is more profitable?
        d. Which company has stronger valuation ratios?
        e. Overall, which is the better run company and why?

    ii. Merger Synergies:
        a. If there was an acquisition, which company is the most likely acquirer? Why?
        b. Would you recommend a merger or acquisition to increase the moat strength of the combined companies? Why or why not?
            • If you support a merger or acquisition, identify 3 performance metrics that could be improved by a merger and explain how they would be improved. Guidance for this is found on **pages 107-117** of *The CFO Guidebook*.

- If you do not support a merger or acquisition, explain your rationale and why the value of each company is best preserved/increased by remaining separate. The guidance for this is found on **pages 117-123** of *The CFO Guidebook.*

Submission Requirements

A. Complete and submit the Assignment 2 Worksheet component of the Workbook, along with your written work for Part B, through the assignment link in Blackboard.

B. Format your written responses for Analysis and Recommendation as follows:
- Typed, double-spaced, professional font (size 10-12), including headings and subheadings (to identify main topics and subtopics), with one-inch margins on all sides.
- References must be included and provide appropriate information that enables the reader to locate the original source.
  - Application and analysis of course materials and resources is expected.
  - At least one additional source beyond the course materials must be cited to support your analysis and recommendations.
- Include a cover page containing the title of the assignment, your name, the professor's name, the course title, and the date.
- The maximum length is 4 pages, excluding your cover page, completed worksheets, and reference list.

RUBRIC

Weight: 18% of Course Grade	Assignment 2: Performance Management and Valuation				
CRITERIA	**Unsatisfactory**	**Low Pass**	**Pass**	**High Pass**	**Honors**
1. Complete the assignment worksheet **Weight: 30%**	Did not submit worksheet or had fewer than 60% correct data sets entered.	Submitted worksheet had between 60% and 69% correct data sets.	Submitted worksheet had between 70% and 79% correct data sets.	Submitted worksheet had between 80% and 89% correct data sets.	Submitted worksheet had 90% or higher correct data sets.
2. Present synopsis of data **Weight: 30%**	Synopsis was missing, incomplete, inaccurate, or did not align with data.	Synopsis was overly simplistic; restated the data, but did not provide a coherent overview.	Synopsis was good; provided general snapshot of key data, but did not focus on the most critical elements.	Synopsis was very good; focused on the most critical elements with only minor elements unclear/missing.	Data synopsis was excellent; accurately highlighted key data presented in both annual reports and third-party sources.
3. Present and defend sound recommended finance strategies **Weight: 30%**	Recommended strategies were missing, superficial, and/or were not supported by data and analysis. No options were presented.	Recommended strategies were basic or were not supported by data and analysis or tied to desired outcomes. Made minimal reference to options, but did not explain why these were not recommended.	Recommended strategies were good, but lacked clarity on how they could be implemented to drive outcomes. Addressed other options, but was unclear why these were not chosen.	Presented and defended very good finance strategies; solid connection to core finance principles and to real-world circumstances. Very good consideration of viable options with good rationale for why options were not chosen.	Presented and defended excellent finance strategies; exemplary connection to core finance principles and to real-world circumstances. Excellent consideration of viable options with very clear rationale for why options were not chosen.
4. Include appropriate citations and use professional writing standards **Weight: 10%**	No citations provided and/or references to course materials were missing or did not support key content in submission; numerous writing mistakes.	Included some citations and references to course materials, but failed to cite for several key references; contained distracting grammatical or formatting errors.	Citations and references to both course materials and additional sources were properly documented; contained some grammatical and formatting errors.	Citations and references to both course materials and additional sources were properly documented; contained minor grammatical and formatting errors.	Citations and references to both course materials and additional sources were properly documented; free from grammatical and formatting errors; adhered to maximum length.

Assignment 3: Forecasting
Due Week 9, Sunday (18% of final grade)

In the first two assignments, you looked at: (1) how **NVIDIA** (NASDAQ: NVD) and **Intel** (NASDAQ: INTC) are positioned to take advantage of opportunities and manage risks, and (2) how well each is *currently* managing their performance. As part of this analysis, you identified potential areas for improvement and considered whether a merger or acquisition could strengthen their financial performance.

Based on your insights and recommendations, Buffett is now asking for an assessment of what the future holds for these businesses. In order to deliver this, you must be able to accurately forecast cash flows (the money that comes in and the money that goes out). Like any predictions about the future, these forecasts require the collection and analysis of reliable data, including leading indicators in the broader economy as well as the market forces that impact competitive dynamics. This analysis will enable you to make smarter decisions about how to plan for the future in order to maximize returns, minimize risks, and beat the competition.

Instructions

For this assignment, you will continue to use the published data from the most recent annual reports you have been studying, as well as analyst reports and other resources available on the Internet.

A. Complete the Assignment 3 Worksheet to assemble and assess your forecasts of working capital. The guidance for this is found on **pages 137-169** of *The CFO Guidebook.*

B. Summarize your Analysis and Recommendations by addressing the following questions:

    i. Which metrics/trends are most critical for forecasting future performance and for budgeting? To answer this, you must include an analysis of both past trend performance AND the applicability and reliability of key forecast indicators. In your response, consider:
        a. Which company has the stronger income statement? Explain.
        b. Which company has the stronger cash flows? Explain.
        c. Which company has the stronger operating performance? Explain.

    ii. Why are the metrics/trends in the data sets above so critical? How reliable are they as predictors of future performance?

    iii. Based on the data you have analyzed, which metrics would you focus on to improve the performance of the weaker company against the stronger one? Why?
        a. How would you do this? What specific financial tools would you apply? Why?
        b. What would "realistic" improvement look like?
        c. How would you measure success?

iv. If you were given the opportunity to join either of these two companies as the new CFO, which one would you pick, and why? In considering your answer to this question, the majority of your compensation plan will be tied to the improvements you can help to drive. Therefore, you should not base your decision on which company is *currently* performing better, but on which company's performance – and valuation – has the greatest potential for growth.

Submission Requirements

A. Complete and submit the Assignment 3 Worksheet component of the Workbook, along with your written work for Part B, through the assignment link in Blackboard.

B. Format your written responses for Analysis and Recommendation as follows:
   - Typed, double-spaced, professional font (size 10-12), including headings and subheadings (to identify main topics and subtopics), with one-inch margins on all sides.
   - References must be included and provide appropriate information that enables the reader to locate the original source.
     o Application and analysis of course materials and resources is expected.
     o At least one additional source beyond the course materials must be cited to support your analysis and recommendations.
   - Include a cover page containing the title of the assignment, your name, the professor's name, the course title, and the date.
   - The maximum length is 4 pages, excluding your cover page, completed worksheets, and reference list.

RUBRIC

Weight: 18% of Course Grade	Assignment 3: Forecasting				
CRITERIA	**Unsatisfactory**	**Low Pass**	**Pass**	**High Pass**	**Honors**
1. Complete the assignment worksheet **Weight: 30%**	Did not submit worksheet or had fewer than 60% correct data sets entered.	Submitted worksheet had between 60% and 69% correct data sets.	Submitted worksheet had between 70% and 79% correct data sets.	Submitted worksheet had between 80% and 89% correct data sets.	Submitted worksheet had 90% or higher correct data sets.
2. Present synopsis of data **Weight: 30%**	Synopsis was missing, incomplete, inaccurate, or did not align with data.	Synopsis was overly simplistic; restated the data, but did not provide a coherent overview.	Synopsis was good; provided general snapshot of key data, but did not focus on the most critical elements.	Synopsis was very good; focused on the most critical elements with only minor elements unclear/missing.	Data synopsis was excellent; accurately highlighted key data presented in both annual reports and third-party sources.
3. Present and defend sound recommended finance strategies **Weight: 30%**	Recommended strategies were missing, superficial, and/or were not supported by data and analysis. No options were presented.	Recommended strategies were basic or were not supported by data and analysis or tied to desired outcomes. Made minimal reference to options, but did not explain why these were not recommended.	Recommended strategies were good, but lacked clarity on how they could be implemented to drive outcomes. Addressed other options, but was unclear why these were not chosen.	Presented and defended very good finance strategies; solid connection to core finance principles and to real-world circumstances. Very good consideration of viable options with good rationale for why options were not chosen.	Presented and defended excellent finance strategies; exemplary connection to core finance principles and to real-world circumstances. Excellent consideration of viable options with very clear rationale for why options were not chosen.
4. Include appropriate citations and use professional writing standards **Weight: 10%**	No citations provided and/or references to course materials were missing or did not support key content in submission; numerous writing mistakes.	Included some citations and references to course materials, but failed to cite for several key references; contained distracting grammatical or formatting errors.	Citations and references to both course materials and additional sources were properly documented; contained some grammatical and formatting errors.	Citations and references to both course materials and additional sources were properly documented; contained minor grammatical and formatting errors.	Citations and references to both course materials and additional sources were properly documented; free from grammatical and formatting errors; adhered to maximum length.

MarketWatch Stock Investment Game
Due Weeks 2, 5, and 10, Sundays (7% of final grade)

Overview

This assignment offers you an opportunity to dive in and test the waters of what it takes to invest successfully in the stock market. While you may not become the next Warren Buffett, you might be surprised to find that you have some hidden talents as a stock picker.

Of course, fundamental investors like Buffett are in it for the long haul and would never look at results over a short window like what we have available to us in this course. Technical traders, or those who trade derivatives, options, or engage in short selling, however, may enter and exit a position in weeks, days, or even hours. In a sense, you'll be doing fundamental analysis, but acting like a technical trader for our game.

The game will require you to build a virtual portfolio of stocks in companies you are interested in following. It will also give you the opportunity to challenge your classmates in a way that is fun and informative. You will be able to see the standing of your returns and those of your classmates. The more research you conduct on the companies, the more informed your investment decisions will be. You are expected to leverage resources such as www.marketwatch.com, www.morningstar.com, and www.wsj.com.

Rules of the Game and General Guidance

- Your professor will provide login instructions in Week 1 of the course. You must create an account with MarketWatch and then register for the game.
- The game begins on Monday of Week 2.
- You have $100,000 of virtual money to invest.
- You may create a portfolio of up to 10 companies, but you must have no fewer than 3. We suggest you diversify your portfolio, but you can take as much risk as you'd like.
- Use the Morningstar "Price/Fair Value compared to Last Close" along with the "Economic Moat" ranking to identify companies that are undervalued for the best possible investments.
- In order to further benefit from this experience, you are encouraged to build a portfolio of companies in an industry you understand or do some basic analysis. Investing without some knowledge is not how professionals create winning portfolios.
- You may trade in or out of all or part of a position as often as you like, or you may buy and hold your portfolio for the entire time.
- Cash must not exceed 20% of your portfolio. We want you invested, not sitting on the sidelines.
- There is no short selling, margin selling, or limits or borrowing to buy.
- Your rankings will be based on absolute returns, i.e., the total dollar increase/decrease in the portfolio over the trading period.

Submission Requirements

Updates to your portfolio and trading activities for the class will take place in the Investment Game Workroom in Blackboard. Your required activity is outlined below:

1. By Sunday, midnight of Week 2: (2% of final grade)
    a. Register for the game by following the instructions provided from your professor.
    b. Assemble your initial portfolio.
    c. Post a brief rationale in the Investment Game Workroom:
        i. Why did you choose your companies? Specifically, what market news, metrics, or other data led you to pick these specific stocks?
        ii. Share the resource(s) you consulted to make your choice.

2. By Sunday, midnight of Week 5 (2% of final grade)
    a. Post a brief commentary on your portfolio explaining:
        i. How you are doing relative to your benchmark and goals.
        ii. What changes you have made, if any, and why you made them.
    b. Provide a link to at least one current news item from *The Wall Street Journal*, or another reputable news source, about one of your stocks, and explain how and why that impacted the stock price.

3. By Sunday, midnight of Week 10 (3% of final grade)
    a. Submit a final synopsis on your performance.*
        i. Did anything surprise you about the way the market moved? Explain.
        ii. What changes did you make to take advantage of market conditions?
    b. What did you learn from this experience about stock selection tools and methodologies?
    c. How can being an active follower of stock prices and market conditions help you become a better financial manager and business leader?

* NOTE: final portfolio balances will be based on the market closing prices on **Friday of Week 9** in order to allow sufficient time to draft and post your synopsis.

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Weight: 7% of Course Grade	Stock Investment Game				
CRITERIA	Unsatisfactory	Low Pass	Pass	High Pass	Honors
1. Stock Selection and Initial Post (due Week 2) **Weight: 2% of Course Grade**	Did not register for game; did not post rationale for stock selection or rationale was vague; made no reference to research or sources of data for selected portfolio companies.	Registered for game and made initial stock selections, but initial post was vague with little detail on rationale for choices.	Registered for game and posted good rationale for choices; research was basic.	Registered for game; posted very good rationale for why these companies were chosen, included clear citations of sources used for research.	Met all HP requirements plus included additional insights and prediction of market expectations relative to portfolio.
2. Mid-Point Post (due Week 6) **Weight: 2% of Course Grade**	Mid-point post was missing or was overly vague or off-topic; did not include synopsis of portfolio moves or relevant article.	Mid-point post provided basic summary of changes in value, but offered little explanation for causes or demonstration of strategic insights; current article was missing or did not support summary.	Mid-point post provided good summary of changes, article was included and relevant to topic; good, but somewhat general overview of strategic moves made in portfolio.	Excellent summary of progress with a clear connection to market moves and news sources to support investment strategy.	Exemplary update on market moves and portfolio performance to date; included appropriate news citations and application to strategic portfolio management decisions.
3. Final Post (due Week 10) **Weight: 3% of Course Grade**	Final submission was missing or off topic; demonstrated little understanding of portfolio performance.	Submission was basic; summarized performance, but demonstrated little insight into the reasons for portfolio valuation changes.	Submission was good; offered reflections on performance relative to overall market; provided basic insight into personal learnings and takeaways.	Submission was excellent; demonstrated solid understanding of portfolio and market performance; good summary of key takeaways.	Submission was excellent; demonstrated exemplary understanding of portfolio and market performance and connection to research and financial management.