

SYLLABUS, TM 612/EM 675 – SPRING 2006

Course No:	Technology Management 612, co-listed as EM 675
Title:	Economic and Financial Analysis
Credit:	3 Credit Hours
Location:	SB 166, Huntington GC 134, South Charleston
Dates & Times:	Mondays, 6:50 to 9:10 PM
Instructor:	Neal Lewis, Ph.D.
Office:	338 South Charleston
Telephone:	304-746-2078
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Office Hours:	Monday, 1:00 – 3:00 pm Tuesdays, 10:00 am – Noon Wednesdays, 10:00 – Noon Feel free to call at other times.

Course Objectives:

- To provide the student an understanding of financial statements, including an understanding of what the various entries in the statement mean and some of the important assumptions that may affect the values.
- To introduce the student to financial analysis techniques.
- To familiarize the student with decision-making based on financial and economic analysis and some of the pitfalls.
- To provide a general knowledge of cost control principles and methods.
- To assist the student in improving problem solving abilities.

Exams

The exams will be open book. Any written material (notes, books) may be used during the examination. Calculators are permitted, but not computers. Because the exam will be open book, students should anticipate that it will require them to demonstrate an understanding and an ability to apply the materials.

Homework:

During the semester, problems will be assigned as homework. Assignments are to be completed and turned in by the due date shown on the syllabus or assigned by the instructor. Late assignments will be accepted but a 10% penalty will be deducted for every day late. If you are going to be absent from any class, you must make arrangements to obtain and return any homework.

Class Contribution:

Class contribution includes attendance, preparedness, participation, and contributing meaningful questions, experiences and examples to enhance the learning opportunities of your classmates. Be prepared to discuss the material. I want to hear from you.

Required Texts:

Fraser, L.M. and Ormiston, A., *Understanding Financial Statements, 7th edition.*
Prentice Hall, 2004.

Newnan, D.G.; Eschenbach, T. G.; Lavelle, J.P. *Engineering Economic Analysis, 9th edition.* Oxford University Press, 2004.

Recommended Supplemental Material:

Merrill Lynch. *How to Read a Financial Report.* 2000. (to be supplied).

Sullivan, W.G.; Wicks, E.M.; and Luxhoj, J. *Engineering Economy, 12th edition.*
Prentice Hall, 2002.

Attendance Policy: Attendance is expected. A portion of the course grade is based on class contribution, and you cannot contribute if you are not in class. Excessive absences may result in a lower grade. You must be present for examinations. Students are responsible for material covered in class whether they are present or not.

Grading Policy: Final Grade for the course will be calculated as follows:

Homework	30%
Exam 1	20%
Exam 2	20%
Final Exam	20%
Class Contribution	10%

Numerical and letter grades correspond as follows:

$$100 \leq A \leq 90 < B \leq 80 < C \leq 70 < F$$

Economic & Financial Analysis Spring 2006

Class Date	Topics	Practice Problems	Readings/ Assignments Due by this date
Session 1 January 9	Introductions & Course Administrative Information Financial Statements: Overview, The Balance Sheet		Fraser, Chapters 1&2
January 16	Martin Luther King, Jr. Holiday	No Class	
Session 2 January 23	Financial Statements: Income Statement	Case 2-1, U.S. Airways, Inc.	Fraser, Chapter 3 Obtain a Company Annual Report
Session 3 January 30	Financial Statements: Cash Flows		Fraser Chapter 4 Homework 1 due
Session 4 February 6	Financial Statements: Analysis	Case 4-1, Hasbro	Fraser Chapter 5
Session 5 February 13	Financial Statements: Wrap-up	Case 5-2, Zila	
Session 6 February 20	Exam 1		
Session 7 February 27	Economic Analysis - Introduction The Decision-Making Process Costs and Cost Estimating	2-1,2,3,5,6,7,9	Newnan Chapters 1-2
Session 8 March 6	Interest and Equivalence	3-3,4,5,6,7,13,19 4-1,3,6,7,20,22,26, 28,30,38	Newnan Chapters 3-4

Class Date	Topics	Practice Problems	Readings/ Assignments Due by this date
Session 9 March 13	Present Worth and Annual Cash Flow Analysis	5-1,3,6,14,16,22,26 6-1,2,4,9,10,32,37,38	Newnan Chapters 5-6 Homework 2 due Hand out Homework 3: Lease vs. Buy
March 20	Spring Break	No Class	
Session 10 March 27	Rate of Return and Analysis Techniques	7-1,2,28 9-1,2,21,30,31,32, 46,48	Newnan Chapters 7, 9
Session 11 April 3	Exam 2		
Session 12 April 10	Depreciation	11-4a,4d,6a,19	Newnan Chapter 11 Homework 3 due
Session 13 April 17	Taxes	12- 17a&b,18,30,31,34	Newnan Chapter 12
Session 14 April 24	Inflation Selection of a MARR	14-7,9,10,11,13 15- See Handout	Newnan Chapters 14-15 Homework 4 due
Session 15 May 1	Final Exam		