UNIVERSITY AT ALBANY
Rockefeller College of Public Affairs & Policy
PAD-501 FINANCIAL MANAGEMENT
Spring 2013
Professor Purtell

READ THE SYLLABUS. YOU ARE RESPONSIBLE FOR MEETING ALL OF THE COURSE REQUIREMENTS SET FORTH IN THIS DOCUMENT

COURSE OBJECTIVES AND DESCRIPTION

The primary objective of this course is to teach you how to use financial information to make management decisions in public and not-for-profit organizations. It will also strengthen your spreadsheet skills. You must be familiar with a computer spreadsheet program to successfully complete many of the homework assignments for the course. This course looks at financial management as a process. The process begins with the development of a plan for the future. The plan is then implemented. Actions are taken to control operations to keep to the plan. Results of operations are then reported, and those results are analyzed.

The first half of the course focuses on developing, implementing and controlling the plan. The course covers an introduction to financial management, the development of operating budgets, tools for short-term decision-making, capital-budgeting decisions, and the analysis of long-term financial options. Management of short-term resources and variance analysis are also covered in this half of the course. The material in the first half of the course is often referred to as managerial accounting.

The second half of the course focuses on summarizing, reporting on and analyzing an organization’s financial position, and the results of its operations. This section covers the development of financial statements. There is heavy emphasis on how the information in financial statements can be used by managers. You will study theory and practice related to accounting principles, financial statements, financial analysis, and the unique aspects of accounting for not-for-profits, and state and local governments. We will consider how the information is presented, and how it can be used to provide meaningful conclusions about the financial position and performance of public service organizations. At the end of this section, you should be able to use an organization's financial statements to communicate about the financial health of the organization. This half of the course covers material often referred to as financial accounting.

From time to time, we may wish to communicate to you concerning course assignments or modifications to the syllabus. We will send announcements both by email and post them to Blackboard. Please check your UAlbany e-mail account (or forward your mail to an address you check routinely) and the Blackboard site at least once a week throughout the term. If you miss a lecture, you can either attend the other sections of the course or get a copy of the class notes from another student and download any handouts that were distributed from Blackboard.

Please note that cell phone use is prohibited during class. If you use a cell phone other than for an emergency, you will lose 1/2 of the credit for the assignment due that day.
Contact Information:
Professor: Bob Purcell
Office: 217 Milne Hall
Phone: 518-442-5276
Email: rpurtell@albany.edu
Office Hours: Thursdays from 4:30 to 7:30 PM and by appointment

Teaching Assistant: Terence Meehan
Email: tmeehan@albany.edu
Discussion Sessions: Fridays 5:30 to 7:00 PM (Contact the TA by email if you plan to attend.)
Location of Discussion Session: Husted 006

METHOD OF INSTRUCTION: Lectures will meet for 180 minutes each week. There will also be optional discussion sessions offered each week where you can work on supplemental problems or review assignments that have been submitted and returned to you. The Teaching Assistant will not help you with problems before they are due.

The classes will mix lecture, problems, cases and discussion teaching methods. The lectures will focus primarily on conceptual and analytical material. The book also contains descriptive material. You will be responsible for the descriptive material, even if we do not have enough time to cover it in class. To allow adequate class time to discuss critical and difficult issues, you must read the required chapters prior to class and to be familiar with the descriptive material in the chapters.

The schedule of lectures is as follows:

<table>
<thead>
<tr>
<th>Class</th>
<th>Tuesdays 5:45 to 8:50 PM in Husted 217</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>January 29</td>
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<td>2</td>
<td>February 5</td>
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<tr>
<td>3</td>
<td>February 12</td>
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<td>February 19</td>
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<td>5</td>
<td>February 26</td>
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<td>6</td>
<td>March 5</td>
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<td>7</td>
<td>March 12 – MIDTERM EXAM</td>
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<td></td>
<td>March 19 – No Class Spring Break</td>
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<td>8</td>
<td>March 26</td>
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<td>9</td>
<td>April 2</td>
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<td>April 9</td>
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<td>April 16</td>
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<td>12</td>
<td>April 23</td>
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<td>13</td>
<td>April 30</td>
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<tr>
<td>14</td>
<td>May 7</td>
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<tr>
<td>15</td>
<td>May 15 – FINAL EXAM</td>
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</table>

PREREQUISITES: PAD-504 is a pre- or co-requisite for this course. With the instructor's permission, non-MPA students may take the course if they can demonstrate sufficient spreadsheet proficiency to complete the assignments.
TEXTS, CLASS NOTES, CALCULATOR:

**Required Text (Available at the Mary Jane Bookstore, the University Bookstore and online at Amazon.com among other sites):**

Steven A. Finkler et al., *Financial Management for Public, Health, and Not-for-Profit Organizations, 4th Edition*, Prentice Hall, 2012. This is referred to as the “Required Text” in the course outline. **Do not buy the 3rd edition or the International Edition of the text. Neither version contains the assigned problems and cases.**

**Excel Text:** Most of the assignments in the course require the use of Excel. You do not have to buy this book but you might find it helpful to have a copy of:


**Assignment Solutions:** We will review all of the assigned problems in class and post solutions to Blackboard.

**Class Notes:** Weekly class notes will be available as PowerPoint files on Blackboard. If you don’t intend to access the notes online during class, please print these notes and bring them to class with you.

**Sample Exams:** We will post sample midterm and final exams to Blackboard at least a week before the date of the first scheduled exam.

**Calculator:** You will need a financial calculator that can do time-value-of-money calculations. If you do not have a calculator that can do time-value-of-money calculations, please buy a Sharp, Texas Instruments or a similar calculator that has that capability. You will see functions like PV, N, I, FV on appropriate calculators. You may buy an HP calculator but we do not recommend it. Many students find them difficult to use. Financial calculators are available at locations such as Staples, Office Depot, and at Amazon.com.

**Optional Texts:** You do not have to buy any of these texts. However, you may find them useful ways of getting additional perspectives on some of the topics in the course.


**COURSE REQUIREMENTS**

1. We will not take attendance. However, you will be required to hand in assignments at each class meeting and past experience tells us that class attendance is crucial to your ability to understand and synthesize this material. You are responsible for all material presented and announcements made in all classes.

2. Complete all assignments and examinations **on time**. Except in rare instances, where arrangements have been made in advance, work must be handed in by the due date to receive **any** credit. If you have to miss a class, you may leave your assignment in Professor Purtell’s mailbox **before** the scheduled class begins,
email it or fax it to 518-442-5298. Please check to make sure the fax has been received and placed in the mailbox.

3. Please note that there will **not** be a make-up midterm or final examination.

4. Please note that there will **not** be any extra-credit assignments to raise your course grade. Your grade will be based on the requirements discussed in this document.

**GRADING**

<table>
<thead>
<tr>
<th>Written assignments:</th>
<th>combined total 20% of grade.</th>
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</thead>
<tbody>
<tr>
<td>Mid-term examination:</td>
<td>40% of grade.</td>
</tr>
<tr>
<td>Final examination:</td>
<td>40% of grade.</td>
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</table>

**WRITTEN ASSIGNMENTS:** There are twelve written assignments. Make a copy of all assignments. Submit the original **AT THE BEGINNING OF CLASS** and **bring an extra copy to class**. While you only need to submit the problem specified under the title “Submit for Class”, you should also answer the discussion questions and complete the additional problems listed after the heading “Complete for Class”. You may submit your written assignments **early** if you cannot make the class. Assignments that are not submitted in class may be left in the professor’s box in Milne Hall, sent via email or faxed to your professor’s attention at 518-442-5298 **before** class meets.

You will **not receive credit** if your assignments are not turned in on time. Treat them as if they were assignments with a **firm deadline at your job**. Each of the written assignments is described in the course outline later in this syllabus. The assignments are designed to help you learn the course material and to help you learn how to write and think about financial management topics. **Assignments must be typed, printed on 8 ½” x 11” paper, and stapled!** We suggest that you compose the verbal parts of your assignments using a word processor and the numerical portion using a spreadsheet program. You should learn how to copy data from a spreadsheet and paste it into a word processing document, so that you submit one integrated document. If you print the assignment directly from a spreadsheet, format it in a way that keeps all related information on one page. **Raw, unformatted spreadsheet data will receive no credit.**

In the syllabus, we refer to assignments that must be **completed** and those that must be **submitted**. You must complete **all** of the problems that must be completed. We will review those problems in class and expect you to be prepared to discuss them. However, you are only required to **submit** the problems identified as for submission.

We will review and return your homework submissions with comments and corrections weekly to both assess whether you have made an honest attempt to complete the entire assignment and identify issues that may not be clear. If you appear to have made a good attempt to complete the assignment, you will receive full credit.

Experience suggests that students learn significantly more in technical finance courses if they do assignments on a regular basis. This is a graduate course and students are expected to use the in-class review and posted solutions to review their own work. We also believe that the process of self-evaluation – comparing your work to the suggested solutions -both speeds and deepens the learning process. You must come to class prepared to participate in the in-class problem reviews. If you don’t understand where you went wrong after reviewing your work against the posted solutions and reading the comments, please come to see your professor or the teaching assistant. Short discussions can save you hours of frustration.

Blackboard contains EXCEL templates for many, but not all, of the homework problems. The templates will help
you to approach and structure your solutions correctly. You should use the templates when they are provided. They will help you to become familiar with the standard formats used in finance. All numerical exercises and problems must be done using a spreadsheet unless you are explicitly directed not to do so.

To facilitate learning, we will post the solutions to additional problems in the Finkler text along with templates to Blackboard. You might want to work on these supplemental problems to gain facility with each of the topics. You do not have to solve any of these supplemental problems. You are encouraged to attend the discussion sessions to review the solutions to problems assigned for class or to work through the supplemental problems.

Unless specifically instructed not to, do the assignment in Excel, embed the solutions in a Word document as Excel objects, print and submit the Word Document. Be sure to resize the objects to make sure that no object is wider or longer than the page.

MAKE SURE YOUR NAME IS ON EACH ASSIGNMENT AND THE PAGES ARE STAPLED TOGETHER.

**SUMMARY OF CLASS NUMBERS FOR ASSIGNMENTS AND EXAMS**

<table>
<thead>
<tr>
<th>Assignment/Exam</th>
<th>% of Grade</th>
<th>Due</th>
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<tbody>
<tr>
<td>Written Assignment #1</td>
<td>2</td>
<td>Class 2</td>
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<td>Written Assignment #2</td>
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<td>Written Assignment #5</td>
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<td>Class 6</td>
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<tr>
<td>Midterm Examination</td>
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<td>Class 7</td>
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<td>Written Assignment #6</td>
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<td>Written Assignment #12</td>
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<td>Class 14</td>
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<td><strong>Final Exam</strong></td>
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<td>Class 15</td>
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<td><strong>Total</strong></td>
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**REQUIRED COURSE COMMITMENT:** To learn the material in this course, most of you will have to devote a minimum of ten hours per week to the course including class time. The second half of this course is considered by many students to contain more difficult material than the first. It is critical that you increase your effort following the midterm exam.
Please keep in mind that the material presented in the course builds cumulatively. Do not fall behind. Most students find it very hard to catch up if they do. If you do not understand any of the concepts in the course, send the professor or the teaching assistant an email before or after class, ask questions in class, go to see the professor, and go to the discussion sessions.

COURSE OUTLINE: A number of reading assignments are listed as optional. Students who plan to concentrate on managerial finance will find it helpful for future course-work if they read the optional material.

CLASS 1: INTRODUCTION TO FINANCIAL MANAGEMENT - BUDGETING.
Class one provides an introduction to accounting and financial management. We will address questions like: What are not-for-profit and government organizations? Why do they exist? What is the role of financial management? We will also talk about mission statements and learn to prepare operating, cash and capital budgets and begin to talk about the skills needed to prepare a budget.

CLASS 2: ADDITIONAL BUDGETING CONCEPTS: We will complete our discussion of the basic budgeting concepts and go on to talk about line-item, responsibility-center and program budgets; performance budgeting, cost/benefit analysis; flexible budgeting; zero-based budgeting, political aspects of budgeting, and other issues related to governmental budgeting.

Reading Due for Class 2: Preface, Chapter 1 (including: Appendix 1-A), Chapter 2 and Chapter 3. (optional: Appendix 3-A).

Complete for Class 2: Chapter 2: 2-1 to 2-16, 2-17, 2-21, 2-22, 2-26, 2-32, 2-33, and Chapter 3: 3-1 to 3-18.

Submit for Class 2: Due at the beginning of Class 2. Written Assignment #1 (2% of course grade): Problems 2-17, 2-21, 2-22, and 2-26. Solutions will NOT be graded for correctness. You will receive 2 percent if you make a good faith effort to solve all of the problems. Put your name on your solutions and bring an extra copy to class. Do the assignment in Excel, embed the solutions in a Word document as Excel objects, and print the Word Document. Be sure to resize the objects to make sure that no object is wider or longer than the page.

CLASS 3: ADDITIONAL BUDGETING CONCEPTS (Cont’d) and UNDERSTANDING COSTS: We will complete our discussion of alternative budgeting formats, review of Part I of the Mead Case, talk about basic cost concepts, cost behavior, break-even analysis, marginal costs, relevant costs, cost bases and cost allocation.

Reading Due for Class 3: Chapter 4 up to the end of the first paragraph on the top of page 136, Appendix 4-A.

Complete for Class 3: Chapter 3 problems 3-23 and 3-24. Chapter 4: 4-1 to 4-11, 4-24, 4-35, 4-31, 4-36, 4-44, and Mead Meals on Wheels: Questions 1 and 2 (Chapter 9 - pages 299-300).

Submit for Class 3: Due at the beginning of Class 3. Written Assignment #2 (2% of course grade): Chapter 3: problem 3-24, Chapter 4: 4-24, 4-35, 4-44, and Mead Meals on Wheels Questions 1 and 2. You will receive 2 percent if you make a good faith effort. Put
your name on your solutions and bring an extra copy to class.

CLASS 4: CAPITAL BUDGETING: We will complete our discussion of break-even analysis and introduce the time-value-of-money tools that are used for capital budgeting, cost-benefit and financial market analyses and beginning with how these tools are applied to make capital asset acquisition decisions.

Reading Due for Class 4: Chapter 5 including appendices 5-A and 5-B.

Complete for Class 4: Chapter 5: 5-1 to 5-10, 5-11, 5-19 (solve 5-11 and 5-19 using a calculator), 5-26 to 5-28 and 5-32 to 5-36 (solve 5-27, 5-28 and 5-32 to 5-36 using a spreadsheet). If you would like, you may check your calculator work using spreadsheet and your spreadsheet work using a calculator.

Submit for Class 4: Due at the beginning of Class 4. Written Assignment #3 (2% of grade): Chapter 5: 5-11, 5-19, 5-20 to 5-28 and 5-32 to 5-36. These should be notes you have prepared to enable you to participate actively in class. You will receive 2% if you make a good faith effort to solve the problem. Be sure to put your name on your solutions and to bring an extra copy to class.

CLASS 5: CAPITAL BUDGETING (Cont’d) and LONG-TERM FINANCING: We will, complete our discussion of the methods used to analyze investments in long-lived resources and talk about long-term financing, capital markets, bonds, and mortgages.

Reading for Class 5: Read Chapter 6

Complete for Class 5: Chapter 6: 6-1 to 6-5, 6-13 to 6-16 and 6-19

Submit for Class 5: Due at the beginning of Class 5. Written Assignment #4 (2% of course grade): 6-13, 6-15, 6-16 and 6-19. You will receive 2% if you make a good faith effort to solve the problem. Be sure to put your name on your solutions and to bring an extra copy to class.

CLASS 6: MANAGING SHORT-TERM RESOURCES AND OBLIGATIONS, VARIANCE ANALYSIS: Implementation of plans; managing the current assets and current liabilities of the organization; controlling results to achieve plans.

Reading for Class 6: Chapter 7 to page 250 and Appendix 7-B and Chapter 8. Please note: We will use a spreadsheet-based approach to flexible variance analysis in class that many students find easier. In addition to Chapter 8, read the note on the “Matrix Approach to Variance Analysis” on Blackboard.

Complete for Class 6: Chapter 7: 7-1 to 7-28; and Problems: 7-29; Chapter 8: 8-1 to 8-23; and Problems: 8-27, 8-28, Mead Meals on Wheels: Questions 3 to 5 (Chapter 9 pages 299-300) and the Glory Mountain Case (Chapter 9 pages 303 to 305). To solve the problems in the Gore case, you will need to use techniques from Chapters 1 through 8.

CLASS 7: MIDTERM EXAM: CHAPTERS 1-8. 40% OF COURSE GRADE. Sample midterm exams will be posted to Blackboard. As part of you midterm review, you may find it helpful to complete the New City Band Case (pages 311-312) and review the Glory Mountain and Mead Meals on Wheels Cases in addition to completing the sample exams. The cases are all in Chapter 9.

CLASS 8: TAKING STOCK OF WHERE YOU ARE: THE BALANCE SHEET: Introduction to financial accounting and financial statements. The fundamental equation of accounting - assets = liabilities, and net assets. Recording and reporting results. FASB, GASB and GAAP.

Reading for Class 8: Chapter 10 to page 349 (appendix 10-B is optional).

Complete for Class 8: Chapter 10: 10-1 through 10-22.

Submit for Class 8: Due at the beginning of Class 8. Written assignment #6 (1% of course grade). Submit your answers to discussion questions 10-1 through 10-22. You will receive 1% if you make a good-faith effort to answer the questions. Be sure to put your name on your assignment.


Reading for Class 9: Chapter 11 through the first paragraph on page 370.

Complete for Class 9: Chapter 10: 10-23 to 10-25.

Submit for Class 9: Due at the beginning of Class 9. Written assignment #7 (1% of course grade). 10-23 to 10-25. These should be notes you have prepared to enable you to participate actively in class. You will receive 1% if you make a good-faith effort to solve the problem. Be sure to put your name on your solutions and to bring an extra copy to class.

CLASS 10: REPORTING THE RESULTS OF OPERATIONS, CONTINUED: THE CASH FLOW STATEMENT: AND UNIQUE ASPECTS OF ACCOUNTING FOR NOT-FOR-PROFIT. We will discuss the cash-flow statement and begin our discussion of nonprofit accounting and reporting requirements.

Reading for Class 10: Chapter 11 from page 370 to the end of the chapter, Appendices 11-A and 11-C.

Complete for Class 10: Chapter 11: 11-1 to 11-15.

Submit for Class 10: Due at the beginning of Class 10. Written assignment #8 (1% of course grade) 11-14 and 11-15. These should be notes you have prepared to enable you to participate actively in class. You will receive 1% if you make a good-faith effort to solve the problem. Be sure to put your name on your solutions and to bring an extra copy to class.

CLASS 11: UNIQUE ASPECTS OF ACCOUNTING FOR NOT-FOR-PROFIT CONTINUED AND GOVERNMENT ORGANIZATIONS: We will complete our discussion of accounting and reporting for not-for-profit organizations, and introduce the concept of fund accounting. We will
also talk about reporting objectives, reporting entities, the modified accrual basis of accounting, and government financial statements.

Reading for Class 11: Chapter 12 (Appendix 11-A is optional); Chapter 13 to page 461.

Complete for Class 11: Chapter 11: 11-16, 11-17, Chapter 12: 12-1 to 12-14, and Chapter 13: 13-1 to 13-3.

Submit for Class 11: Due at the beginning of Class 11. Written Assignment #9 (2 % of course grade). Problems 11-16 and 11-17. These should be notes you have prepared to enable you to participate actively in class. You will receive 2% if you make a good-faith effort to solve the problem. Be sure to put your name on your solutions and to bring an extra copy to class.

CLASS 12: UNIQUE ASPECTS OF GOVERNMENT ACCOUNTING, CONTINUED AND A PRELIMINARY DISCUSSION OF FINANCIAL-STATEMENT-ANALYSIS BASICS:

We will complete our discussion of the reporting objectives, reporting entity, fund accounting, the modified accrual basis of accounting, and financial statements used by governments. We will also begin our coverage of financial statement analysis.

Reading for Class 12: Chapter 14: (Appendix 14-A is optional.)

Complete for Class 12: Chapter 12: 12-18; Chapter 13: problem 13-4, problem 13-8, Chapter 14: 14-1 to 14-7 and the transactions problem below.

Submit for Class 12: Due at the beginning of Class 12. Written Assignment #10 (2 % of course grade). Submit problem 12-18 and problem 13-4. These should be notes you have prepared to enable you to participate actively in class. You will receive 2% if you make a good-faith effort to solve the problem. Be sure to put your name on your solutions and to bring an extra copy to class.

Transactions’ Problem

A. Record the transactions below for the Albany YMCA, a nonprofit organization. Be sure to identify the balance sheet categories and accounts used in each transaction. You may divide each transaction into several steps if it is easier for you.

a. On January 1, 2011, the Y acquired gym equipment costing $200,000 for cash. The equipment has an expected life of 10 years with a residual value of 20%. The Y uses straight-line depreciation. The equipment was put into service immediately upon receipt.

b. On January 1, 2011, the Y sent membership-renewal notices to all of its existing members. If all of the members renewed, the Y would receive $600,000. Historically, 15% of members do not renew and will not pay the bill. The Y recognizes all membership revenue when members are billed.

c. On April 1, 2011, the Y paid $70,000 for expenses related to its annual fund-raising drive.

d. On April 1, 2011, the Y completed its annual fundraising drive and received $150,000 in cash donations.

e. On July 12, 2011, the Y purchased $125,000 worth of supplies and paid its suppliers $175,000.
f. On August 20, 2011, the Y collected $450,000 that was owed to them for fiscal year 2011 membership renewals.
g. Through December 31st, the Y used $130,000 worth of supplies.
h. Through December 31, 2011, the Y used $320,000 of labor. During the year, the Y paid $325,000 of the wages due to its workers.
i. On December 31st, the Y paid principal of $60,000 and interest of $60,000 on its long-term debt.

B. Use the transactions above and the beginning-balance information in the list of assets, liabilities and net assets below to prepare a comparative balance sheet, an activity statements and a cash-flow statement for the Y. Use the worksheet provided on the next page as an intermediate step in preparing the financial statements.

### Beginning Balances

<table>
<thead>
<tr>
<th>Beginning Balance</th>
<th>FY 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$300,000</td>
</tr>
<tr>
<td>A/P</td>
<td>$75,000</td>
</tr>
<tr>
<td>A/R</td>
<td>$10,000</td>
</tr>
<tr>
<td>Long-term Debt</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>W/P</td>
<td>$10,000</td>
</tr>
<tr>
<td>Unrestricted Net Assets</td>
<td>$450,000</td>
</tr>
<tr>
<td>PP&amp;E</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>Inventory</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

**CLASS 13: FINANCIAL STATEMENT ANALYSIS:** Financial statement review, audit letter, notes that accompany financial statements, ratio analysis and assessment.

**Reading for Class 13:** Chapters 15.

**Complete for Class 13:** Chapter 15: 15-1 to 15-9, and the Major Medical Center Case 15-12. Pay special attention to the ratio analysis and major issues (red flags) for the case.

**Submit for Class 13:** Due at the beginning of Class 13. Written assignment #11 (2% of course grade): Financial Statement Analysis. Major Medical Center Case 15-12: Read the financial statements and notes for the Major Medical Center (MMC) case at the end of Chapter 15. Download the template containing the financial statements for MMC from Blackboard and use that spreadsheet to calculate the common size ratios for the Statement of Financial Position (using total assets as the common-size-ratio denominator), the Activity Statement (using total revenue as the common-size-ratio denominator), and the Cash-Flow Statement (using operating cash flow as the common-size-ratio denominator). You should also calculate the ratios contained in the remaining worksheets in the template. In addition, you should prepare a summary of “major issues” that you gleaned from the notes. After reviewing the notes and the ratios, prepare a summary of the “red-flag” issues that you see. **You must use a spreadsheet to calculate the ratios. Hand-calculated ratios will not receive credit.** Be sure to use “absolute cell addresses” in calculating the ratios. You will receive 2% if you use a spreadsheet to do the
calculations and make a good faith to calculate the ratios. Be sure to put your name on your solutions and to bring an extra copy to class.

**CLASS 14:** **FINANCIAL STATEMENT AND FINANCIAL CONDITION ANALYSIS:** Measures of financial condition, liquidity, solvency, efficiency, risk and capacity. Most of the class will be spent discussing the MMC case.

Reading for Class 14: Read Chapter 16. Reread the MMC Case at end of Chapter 15. Review your notes on the case and the ratios and other materials that have been posted to Blackboard.

Complete for Class 14: Chapter 16: 16-1 to 16-9; and the MMC case-analysis memo.

Submit for Class 14: **Due at the beginning of Class 14.** Written Assignment #12 (1% of course grade): Financial Statement Analysis assignment -- problem 14-13 MMC Case. In light of your analysis and the case discussion in class 13, prepare a one to two-page memo that identifies the two to three key issues in the case that you feel are critical to both understanding MMC’s situation and “solving” their business problems. Support your contentions using information from the notes, appropriate ratios and the “red flags” you identified during your analysis. We **strongly suggest that you work together in groups to prepare your analysis.** Be prepared to discuss what you would do if you were MMC’s Executive Director.

**CLASS 15:** **FINAL EXAMINATION, 40% of course grade.** Sample final exams will be posted to Blackboard.