

Cover Sheet: Request 14831

FIN 4453 Financial Modeling

Info

Process	Course Modify Ugrad/Pro
Status	Pending at PV - University Curriculum Committee (UCC)
Submitter	Deborah Himes debbie.himes@warrington.ufl.edu
Created	3/26/2020 11:29:47 AM
Updated	4/16/2020 3:51:46 PM
Description of request	The current 2-credit FIN 4453 course would be replaced with this updated 4-credit course. This course would be offered as an elective as it has been for the last 3 years. Currently, for this 4 credit course, we are using a special topics course and number to address this non-permanent course issue. Eventually, this foundational tools course is quite important pedagogically and professionally and will likely be required in place of the Debt and Money Markets course, where the important content in that course would be covered in the Equity course as well as this Financial Modeling course.

Actions

Step	Status	Group	User	Comment	Updated
Department	Approved	CBA - Finance, Insurance and Real Estate 011706000	Andy Naranjo		3/26/2020
FIN 4934 - Financial Modeling.pdf					3/26/2020
College	Approved	CBA - College of Business Administration, Warrington	Renee Mathis	Approved by the faculty in a virtual meeting on 4/16/20	4/16/2020
No document changes					
University Curriculum Committee	Pending	PV - University Curriculum Committee (UCC)			4/16/2020
No document changes					
Statewide Course Numbering System					
No document changes					
Office of the Registrar					
No document changes					
Student Academic Support System					
No document changes					
Catalog					
No document changes					
College Notified					
No document changes					

Course|Modify for request 14831

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Submitter: Deborah Himes debbie.himes@warrington.ufl.edu

Created: 3/26/2020 11:18:44 AM

Form version: 1

Responses

Current Prefix FIN

Course Level 4

Number 453

Lab Code None

Course Title Financial Modeling

Effective Term Spring

Effective Year 2021

Requested Action Other (selecting this option opens additional form fields below)

Change Course Prefix? No

Change Course Level? No

Change Course Number? No

Change Lab Code? No

Change Course Title? No

Change Transcript Title? No

Change Credit Hours? Yes

Current Credit Hours 2

Proposed Credit Hours 4

Change Variable Credit? No

Change S/U Only? No

Change Contact Type? No

Change Rotating Topic Designation? No

Change Repeatable Credit? No

Change Course Description? Yes

Current Course Description The course demonstrates how intricate financial spreadsheet models can be applied to aid in value creating activities for businesses such as valuation, additional funds needed analysis and additional applications that may include activities such as leasing and merger analysis.

Proposed Course Description (500 characters max) The course demonstrates how intricate financial spreadsheet models, along with other modeling tools, can be developed and applied in value creating activities for businesses such as securities modeling, financial statement cash flow modeling, and derivatives modeling.

Change Prerequisites? Yes

Current Prerequisites FIN 3403 with a minimum grade of B or an equivalent course as approved by the Department of Finance

Proposed Prerequisites FIN 3403 with a minimum grade of B and (ACG 2021 and ACG 2071 with minimum grades of C

Change Co-requisites? No

Rationale The catalog listed course was a short, 8 week module abbreviated course, but we no longer offer these short module courses in Finance. Instead, we have been offering a fully developed semester course the last few years as a 4 credit hour course with special topics number of FIN 4934. The fully developed semester course is important as it meets the content and tools needed for Finance majors. We want to give it a permanent, official number, corresponding to our currently listed 2-credit course and eliminate the 2-credit our course.

FIN 4934
Financial Modeling

Course Syllabus
Spring 2019 Term

COURSE INSTRUCTOR

Professor John C. Banko, Ph.D., CFA
Senior Lecturer of Finance

Office: David Stuzin Hall, Room 321A

Office Hours: Tuesday & Thursday, 10a – 12p

Phone: (352) 392-6395

E-Mail: john.banko@warrington.ufl.edu

COURSE LOCATION

FIN 4934 is being taught as an Electronic Platform (recorded) class. The class is taught in Heavener Hall, Room 150, every Monday and Wednesday, during Periods 3-4 (officially, 9:35-10:25 AM & 10:40-11:30 AM, but we will take only a short break between the two periods). Students are encouraged to attend the live sessions and actively participate. Seating is limited to 55 students and is on a first come, first served basis.

COURSE OVERVIEW AND OBJECTIVES

Purpose: The goal for this course is to develop the skills needed to use and create intricate spreadsheet models, geared toward the business community. The course will be project based, with a focus on mortgage-backed securities, securities modeling, financial statement cash flow modeling, and derivative modeling.

COURSE PREREQUISITE

FIN 4243 and FIN 4504, or equivalent courses, as approved by the College's Undergraduate Programs Office, Room 267 David Stuzin Hall, Phone: 273-0165.

COURSE MATERIALS TO PURCHASE FROM BOOKSTORE / ONLINE

The materials for the course will be:

1. Laptop/Excel. You must have and bring a Windows-based laptop to class that has Excel. Apple will not work, since you cannot run macros in Mac OS.
2. You will need simulation software. You have two several:
 - a. Simtools by Roger Myerson. This is an older simulation package developed by Nobel Laureate Roger Myerson. This can be accessed at this [link](#).
 - b. Crystal Ball. You can download a 30-day trial from Oracle. This can be accessed at this [link](#).
3. WallStreetPrep access. This will be discussed during the first few days of class. The cost for this will be about \$100.
4. Coursepack from Harvard Business School Press. Instructions will be available on the course site in E-Learning. The cost for this will be under \$10.
5. Lecture Notes, available in the E-Learning course website.
6. A variety of chapters and full textbooks will be utilized throughout the term. All of them will be freely available through the UF libraries.

COURSE GRADES

Course grades will be calculated using points from each project. Our goal this term is to complete 5 projects, plus 3 exercises from WallStreetPrep. Each of the projects will have a few components, with different requirements, deadlines, and point assignments. Also, each of the 5 projects will have a peer review component.

Course grades will be based on the following numeric scale:

Minimum Points	Course Grade
90%	A
87%	A-
84%	B+

80%	B
77%	B-
74%	C+
70%	C
67%	C-
64%	D+
60%	D
57%	D-

The grade cutoffs may be adjusted down, particularly if assignments are more difficult than expected. Grade cutoffs will never be increased. Student grade information will be maintained in the Gradebook function in E-Learning.

COURSE TEAM PROJECTS

Course projects will be completed in teams, usually of 3 or 4 members. You will be assigned to one team for the first three projects, up to spring break. And then you may be assigned to a different team for the second half of the course. Projects deliverables will be uploaded/posted to E-Learning (which will list the exact date and time due). Part of the grading process is a peer review of the project.

These projects are expected to be professional work. Presentation is important. At a minimum:

- Where required, all text should be typed and presented in a case-like format.
- Spreadsheets and graphs should fit on one page or separated in a logical manner. They should be visually appealing, easy to read and incorporated into the text.
- You should include a cover page/tab with each person's name and project title.
- You should have subsections labeled with brief descriptions immediately preceding the spreadsheet and qualitative analysis.
- All spreadsheets should be labeled with a title and description.

In general, I should be able to read through the project and follow the analysis easily without referencing the assignment.

The project details may change during the term. But, the plan right now is for the following projects:

1. Valuation model for an MBS (210 points total)

You will be given the layout for a MBS issued by Freddie Mac. Your job is to develop a valuation of the tranches. The primary deliverable is the Excel spreadsheet. A 1-page (or so) write-up will be required to explain tranches that are complicated and deserve some discussion.

2. Performance reporting and risk evaluation (160 points total)

For this project, your team will be given a Harvard case about a small asset management firm. Your job is to develop a 1-page (single-sided or double-sided, up to you) handout that the firm would use to summarize its investment philosophy and performance for the two funds it operates. These are known as “tear sheets”. You can (kind of) see examples of such 1-page documents by running a search for a “sample tear sheet” on any of the internet search engines.

This is likely the first time many of you have tackled such an assignment. Your primary job is to get the numbers right – calculate the various portfolio fund performance measures as outlined in the case (correctly) and think about how to present them in a meaningful way. This will be an intermediate deliverable for this project.

More importantly, I want to see the performance report directly tied to the spreadsheet. If I update numbers on the spreadsheet, the performance report is updated as well. From there, develop bells and whistles to make the spreadsheet and report more usable and user-friendly.

The deliverable is the spreadsheet and the report that the spreadsheet creates.

3. Additional Funds Needed model (160 points total)

You will be given the financials and other relevant data for a corporation and/or a scenario. The project involves developing a model to determine the funding needs of the company. Valuation impact based on using debt versus equity will be examined. The deliverable is a 2-3 page executive summary of the results and scenarios. Results from your Excel spreadsheet should be incorporated as Exhibits, Tables, and/or Charts. The full spreadsheet will also be uploaded.

4. DCF / Pitch Update (160 points total)

Your team will be responsible for researching a firm and developing a DCF valuation of the firm. Then, your team will update a Powerpoint “pitch” presentation. The deliverable will be the DCF valuation and the PPT presentation.

Several firms will be selected in advance, and several teams will be assigned to each firm. Grading will be head-to-head against the other teams working on the same firm.

5. Creative case development/presentation and model (160 points total)

For the final project, your team will develop a spreadsheet model of your choice. Your team will develop the project scope and deliverables, and your team will present your project to the class via a 10-minute presentation in class. The deliverables will be the presentation (50 points) and spreadsheet (100 points, including the peer evaluation).

Note the dates of the presentations. Although this is an EP course, at least one team member must be present on the date of your team's presentation to make the presentation. All team members do not need to be present.

Also, you will complete three of the training exercises in WallStreetPrep, for 150 points.

For all cases, peer evaluations (for part of each project) are required. A 50-point penalty will be assigned if this is not completed and submitted. Peer evals are a critical component of this class.

LYNDA.COM

Part of the goal of this course is to increase your Excel skills. In fact, to do well, you need to have some skills developed. If you find the first few lectures difficult to follow due to the Excel, UF has licensed Excel training videos from Lynda.com. This includes 8+ hour "introductory" videos on Excel.

Access is available on the UF website: <http://elearning.ufl.edu/>

STUDENTS WITH DISABILITIES

Students requesting accommodations for their disability must first register with the Dean of Students Office. The Dean of Students Office will provide documentation/forms to the student, who must then provide the documentation/forms to Dr. Banko. Please note that the Dean of Students Office requires a 7-10 day lead time to process your request after they receive the form back from you.

More information is available on the DRC website: <http://www.dso.ufl.edu/drc/>

TENTATIVE SCHEDULE

Week One		
Date	Day	Assignment / Activity
1/7/2019	Monday	Introduction, syllabus, course example
1/8/2019	Tuesday	
1/9/2019	Wednesday	Project 1: MBS
1/10/2019	Thursday	
1/11/2019	Friday	
1/12/2019	Saturday	
1/13/2019	Sunday	

Week Two		
1/14/2019	Monday	Project 1: MBS
1/15/2019	Tuesday	
1/16/2019	Wednesday	Project 1: MBS
1/17/2019	Thursday	
1/18/2019	Friday	Project 1-1 due: Practice Peer Review
1/19/2019	Saturday	
1/20/2019	Sunday	

Week Three		
1/21/2019	Monday	University: Martin Luther King Day - No Classes
1/22/2019	Tuesday	
1/23/2019	Wednesday	Project 1: MBS
1/24/2019	Thursday	
1/25/2019	Friday	Project 1-2 due: MBS Correction
1/26/2019	Saturday	
1/27/2019	Sunday	

Week Four		
1/28/2019	Monday	No class - start WallStreetPrep
1/29/2019	Tuesday	
1/30/2019	Wednesday	No class - start WallStreetPrep
1/31/2019	Thursday	
2/1/2019	Friday	
2/2/2019	Saturday	
2/3/2019	Sunday	

Week Five		
2/4/2019	Monday	Project 1: MBS
2/5/2019	Tuesday	
2/6/2019	Wednesday	Project 1: MBS
2/7/2019	Thursday	
2/8/2019	Friday	Project 1-3 due: Initial MBS Build
2/9/2019	Saturday	
2/10/2019	Sunday	

Week Six		
2/11/2019	Monday	Project 1: MBS / VBA (intro)
2/12/2019	Tuesday	
2/13/2019	Wednesday	Project 1: MBS / VBA (intro)
2/14/2019	Thursday	
2/15/2019	Friday	Project 1-4 due: Final MBS Build
2/16/2019	Saturday	
2/17/2019	Sunday	

Week Seven		
2/18/2019	Monday	Project 2: Portfolio Optimization
2/19/2019	Tuesday	
2/20/2019	Wednesday	Project 2: Portfolio Optimization
2/21/2019	Thursday	
2/22/2019	Friday	Project 1-4 due: Peer Evaluation
		Project 2-1 due: Portfolio Statistics
2/23/2019	Saturday	
2/24/2019	Sunday	

Week Eight		
2/25/2019	Monday	Project 2: Portfolio Optimization
2/26/2019	Tuesday	
2/27/2019	Wednesday	Project 2: Portfolio Optimization
2/28/2019	Thursday	
3/1/2019	Friday	Project 2-2 due: Tear Sheet
		Teammate Evaluation due
3/2/2019	Saturday	
3/3/2019	Sunday	

Week Nine		
3/4/2019	Monday	University: Spring Break: No Classes
3/5/2019	Tuesday	University: Spring Break: No Classes
3/6/2019	Wednesday	University: Spring Break: No Classes
3/7/2019	Thursday	University: Spring Break: No Classes
3/8/2019	Friday	University: Spring Break: No Classes
3/9/2019	Saturday	
3/10/2019	Sunday	

Week Ten		
3/11/2019	Monday	WallStreetPrep review
3/12/2019	Tuesday	
3/13/2019	Wednesday	WallStreetPrep review
3/14/2019	Thursday	
3/15/2019	Friday	Project 2-2 due: Peer Evaluation
		WallStreetPrep Assignments due
3/16/2019	Saturday	
3/17/2019	Sunday	

Week Eleven		
3/18/2019	Monday	Project 3: AFN w/ Polar Sport
3/19/2019	Tuesday	
3/20/2019	Wednesday	Project 3: AFN w/ Polar Sport
3/21/2019	Thursday	
3/22/2019	Friday	Project 3-1 due: Initial Polar Sport Build
3/23/2019	Saturday	
3/24/2019	Sunday	

Week Twelve		
3/25/2019	Monday	Project 3: AFN w/ Polar Sport
3/26/2019	Tuesday	
3/27/2019	Wednesday	Project 4: DCF, Valuation, and Presentation
3/28/2019	Thursday	
3/29/2019	Friday	Project 3-2 due: Final Polar Sport Build
3/30/2019	Saturday	
3/31/2019	Sunday	

Week Thirteen		
4/1/2019	Monday	Project 4: DCF, Valuation, and Presentation
4/2/2019	Tuesday	
4/3/2019	Wednesday	Project 4: DCF, Valuation, and Presentation
4/4/2019	Thursday	
4/5/2019	Friday	Project 4 due: DCF / Pitch Update
		Project 3-2 due: Peer Evaluation
4/6/2019	Saturday	
4/7/2019	Sunday	

Week Fourteen		
4/8/2019	Monday	Project 5: Creative Project
4/9/2019	Tuesday	
4/10/2019	Wednesday	Project 5: Creative Project Presentations: Teams 1-7
4/11/2019	Thursday	
4/12/2019	Friday	Project 4 due: Peer Evaluation
4/13/2019	Saturday	
4/14/2019	Sunday	

Week Fifteen		
4/15/2019	Monday	Project 5: Creative Project Presentations: Teams 8-14
4/16/2019	Tuesday	
4/17/2019	Wednesday	Project 5: Creative Project Presentations: Teams 15+
4/18/2019	Thursday	
4/19/2019	Friday	Project 5 due: Creative Project
4/20/2019	Saturday	
4/21/2019	Sunday	

Week Sixteen		
4/22/2019	Monday	Project 5 due: Peer Evaluation (no class)
4/23/2019	Tuesday	
4/24/2019	Wednesday	University: Last Day of Classes (no class)
4/25/2019	Thursday	University: Reading Days - No Exams or Classes
4/26/2019	Friday	University: Reading Days - No Exams or Classes
4/27/2019	Saturday	University: Start of Final Exams
4/28/2019	Sunday	