

2018-2019

GRADUATE FINANCE CERTIFICATE PROGRAM

I am pleased to introduce you to the Graduate Finance Certificate Program at the Cox School of Business, Southern Methodist University. The Graduate Finance Certificate Program is designed for those people who want to increase their financial competency skills. The program presents a unique blend of contemporary financial paradigms and perspectives.

Topics covered in the program include:

- principles of valuation
- financial statement analysis
- financial analysis, planning & funding growth
- basics of business statistics
- capital asset pricing model & cost of capital
- valuing stock
- valuing fixed income financing
- capital budgeting
- financial leverage and capital structure policy
- trading securities in the secondary markets
- options & corporate finance
- international finance
- market efficiency & anomalies
- value creation & risk management in global energy
- Managerial responsibility over financial reporting & corporate ethics
- Valuation of corporate investments

A strength of this program is its limited enrollment that allows one-on-one interaction with the faculty. Students learn from the same graduate school professors who are featured in the Cox School of Business MBA program - recognized by *US News & World Report* as one of the top programs in the country.

I encourage you to consider being a member of the Graduate Finance Certificate Program.

Don Shelly, Program Director

The Philosophy of the Program

- We are here to help you learn. We welcome questions in class discussions and want you to feel free to talk with professors after class. We will make every effort to help you obtain the information and develop the skills that you need.
- Supplementary readings for all class lectures are provided to allow you to explore your topics of interest in greater depth.
- There are a variety of perspectives on finance, and many financial issues can be approached in different ways. Therefore, we expose you to a variety of professors, each with their own viewpoint.
- We care about your experience and want you to gain from our expertise. We ask you to evaluate each session and professor. We welcome questions and comments about each class.

The Background

This program was created primarily in response to requests from a growing number of executives with demanding corporate schedules who felt that their current and future business environment called for an increasing awareness of state-of-the-art financial concepts, techniques, and overall perspectives.

In response to these requests, some of the best certificate programs from the most respected business schools, both domestic and international, were reviewed, including our own very successful Advanced Marketing Certificate Program and the Graduate Business Analytics Certificate Program. Most of these programs outside of Cox were adequate to outstanding in their content; however, they were usually scheduled in the summer for six to eight weeks, requiring on-campus, full-time residence.

This kind of scheduling can be too restrictive for many executives. We, therefore, followed our marketing colleagues and developed a schedule to meet your needs. Our certificate program meets one night a week for six weeks each of three modules (a total of 18 sessions), beginning in September and ending with graduation in March.

The Class Profile

Based upon our experience over the last 25 years, almost all participants have college degrees with some having masters and even doctoral degrees. The few students who do not have college degrees do have significant work experience. The class size is approximately 40-50 students, depending upon demand.

How You Will Benefit

The goal of this program is to help you sharpen your financial competency and skills. During the course of this uniquely designed program, you will:

- Be updated on the latest trends and techniques in the area of financial management.
- Gain a working knowledge of relevant financial concepts and methodologies that will be applicable to your current business situations.
- Enhance your career growth opportunities.
- Participate in stimulating classroom discussions with a diverse group of expert academics and accomplished business executives who bring their collective experience and perspectives to bear on a range of business issues.
- Network constructively with executives, managers, and entrepreneurs from a wide range of companies, industries, and backgrounds.
- Broaden your financial horizon “today” - instead of “someday.”
- Acquire a much valued “Graduate Finance Certificate” from SMU’s renowned Cox School of Business.
- If you are a member of the Texas Society of CPAs, you will earn Continuing Education Credit.
- For doctors who are members of the Dallas County Medical Society, 12 hours of informal CMEs are available for each module.

GFCP Format/Schedule

First Module

Sept. 11 - Sept. 25, 2018
Oct. 2, 16 & Oct. 23, 2018

Second Module

Nov. 6 – Nov. 27, 2018
Dec. 4 & 11, 2017
(Holiday Break)
Jan. 8, 2019

Third Module

Jan. 22 & 29, 2019
Feb. 5 – Feb. 26, 2019 & March 19, 2019

Three course modules must to be taken consecutively beginning in September. The course modules consist of six sessions held on Tuesday evenings from 6:30 - 9:00 p.m. at the Cox School of Business on the SMU Dallas campus. The audio and video of each class and materials handed out will be posted online after each class.

To qualify for the Certificate participants **must attend five out of six sessions each module**. If your business circumstances will not permit you to take successive modules you may spread the program over two or three years. **The modules must be taken in consecutive order.**

Courses may be taken either with a pass/fail or letter grade option. The requirement for pass/fail is attendance. The requirement for a letter grade is an exam for each module. *Given the unique character of the Graduate Finance Certificate Program, no course credit may be applied to any graduate program.*

There are no entrance requirements for this program. We do not require GMAT testing as a condition for admission. The GFCP is adult/continuing education allowing you to acquire a certificate of completion based on attendance.

The Graduate Finance Certificate Program is NOT a degree program.

FIRST MODULE - "Fundamentals of Finance & Accounting"

September 11 - October 2, 2018
October 16 – October 23, 2018

Introduction & First Principles of Valuation

Topics include "why study finance" & "what are the most important questions in finance." We will also discuss the first analysis of the time value of money, computing investment returns, discounted cash flow valuation, and NPV.

First Principles of Valuation *cont.*

We will continue the discussion on the first analysis of the time value of money, computing investment returns, discounted cash flow valuation, and NPV.

Introduction to Financial Reporting & Statements

This session is designed to support the financial manager's ability to analyze financial statements. Topics will include an overview of the accrual accounting process, the nature of specific assets and liabilities, taxes and the definition of operating cash flows.

Introduction to Strategic Financial Statement Analysis

This session will focus on using accounting data to assess the financial health of the firm, doing pro-forma analysis and forecasting the firm's financial needs requirements.

Basics of Business Statistics

This session will cover statistical measures including sample and ex-ante (1) means, (2) standard deviation, (3) variance, (4) correlation, (5) coefficient of variation, (6) covariance, etc. associated with risk and return of securities.

Risk, Return, and Portfolio Theory

This session will focus on understanding risk and return in capital markets. Topics include portfolio risk and return measures, diversification, portfolio theory, and asset pricing models.

SECOND MODULE - "Financing the Business"

November 6, 13 & 27, December 4 & 11, 2018
January 8, 2019

Capital Asset Pricing Model and the Cost of Capital

In this session, we will understand the basics of what the Cost of Capital (COC) is, where it comes from, why it is important, and how to estimate it. To achieve this endeavor, one of the most important models to understand is the Capital Asset Pricing Model (CAPM), which follows directly from portfolio theory. We will understand the importance of risk and, more importantly, the type of risk that matters, in understanding what businesses have to pay for capital in a competitive marketplace (which is termed the Cost of Capital).

Valuing Stock

This session will provide an introduction to equity valuation methods, including the dividend growth model, the discounted cash flow model, and the valuation by multiples.

Valuing Fixed Income Financing

This session will provide an introduction to fixed income securities, their valuation, and their reporting with special reference to bond financing and money market instruments.

Capital Budgeting

This session will examine the criteria used in making investment decisions. Students will learn how to evaluate projects and investment proposals. Investments of capital are important decisions made in organizations, and this session will critically examine how to make investments that increase shareholder value.

Financial Leverage and Capital Structure Policy

This session will discuss the capital structure question, the impact of taxes and bankruptcy costs on capital structure choice, and making the theory work in the real world.

Trading Securities in the Secondary Markets

This session will discuss the trading problems of institutional traders (i.e., immediacy, price pressure, adverse selection risk, predatory trading, etc.), how traditional markets solved the problem using specialists and floor brokers, the arrival of algorithmic trading and how algorithms solve the trading problem.

THIRD MODULE - "Investing in the Future"

January 22 & 29, 2019

February 5 – 26, 2019

March 19, 2019 - graduation

Options & Corporate Finance

This session examines the basic features of option contracts, option pricing using the Black-Scholes option pricing model. Further, stocks and bonds as options, options and corporate decisions including mergers and capital budgeting decisions, and real options analysis (e.g., option to expand, abandon, or defer a capital budgeting project) will be discussed

International Finance

This session examines foreign exchange markets and exchange rates, purchasing power parity, currency swaps, international capital budgeting, and exchange rate risk.

Market Efficiency & Anomalies

This session will focus on empirical evidence from securities markets on market efficiency and its implication for investors in portfolio management.

Value Creation & Risk Management in Global Energy

The Chad Cameroon Petroleum Development and Pipeline Project is a qualitative case study about how Exxon raised the financing for an oil project to try to reduce political risk.

Managerial Responsibility over Financial Reporting & Corporate Ethics

This session will discuss empirical evidence that suggests information contained in financial statements and helps predict future earnings and stock returns of the respective companies, on average.

The Valuation of Corporate Investments: A case study

In this session we will apply standard discounted cash flow tools to assess the value created in 2000 by Airbus as it launched its giant A380 double decker commercial airplane.

GFCP Graduation - The Future of Finance

Certificates will be awarded during this the 26th GFCP graduation!

Program Fee and Tuition:

A **\$100 non-refundable registration fee** must accompany your registration. If you are unable to continue in the program, **tuition** will be reimbursed on a prorated basis less administrative expenses.

Facilities and effective class interaction require that we limit class size. Acceptance is based on a careful screening of the registration form and the promptness of your response.

- \$4,500 = full tuition
- \$4,200* = discounted full tuition

**Registration and full payment by August 12, 2018*

**Companies enrolling three or more employees consecutively*

**Non-profit organization are eligible for this discount*

All course materials and parking are included in the program fee. You will need a financial calculator (we recommend the HP 12C Platinum).

If you have any questions about the Graduate Finance Certificate Program please call or e-mail the director, Don Shelly or the facilitator, Jeanne Milazzo

Don Shelly, Director
214.768.3828
dshelly@cox.smu.edu

Jeanne Milazzo, Facilitator
214.768.4155
jmilazzo@cox.smu.edu

To register for the Graduate Finance Certificate Program please fill out the registration form on the following page (front and back) and mail with your payment to:

The Graduate Finance Certificate Program
ATTN: Jeanne Milazzo
SMU/ Cox School of Business
PO Box 750333
Dallas, TX 75275-0333

OR

FAX To: 214.768.4099

Southern Methodist University will not discriminate on the basis of race, color, religion, national origin, sex, age, disability, veteran status or sexual orientation.

Organization: _____

Position: _____

Dates: _____

Organization: _____

Position: _____

Dates: _____

What finance issues would you like to see covered in the program?

How did you learn about the program?

I intend to be evaluated when taking this course as follows:

- Pass/Fail (based on attendance) Grade (exams required to earn a grade)

I will want continuing education credits:

- CPE (members Texas Society of CPAs) CME (members Dallas Country Medical Society)

I have included the \$100 Non-Refundable Registration Fee

- \$100 non-refundable registration fee **must accompany your registration form** (invoice for balance due)

OR

I will pay Registration Fee AND make a Tuition Payment at this time

- \$4,600 (full program tuition + non-refundable registration fee) due by **AUGUST 31, 2018**
- \$4,300 *(discounted full program tuition + non-refundable registration fee) *payment received on or before **AUGUST 12, 2018**, company enrolling 3 or more employees **at the same time** or non-profit organizations*
- Personal Check* Company Check* Credit Card (you must go online and provide your credit card information **OR** call 214-768-4155 for assistance)

*Make payable to: **Southern Methodist University**

You may prefer to use the registration form on our web site:

<http://www.smu.edu/Cox/FutureStudents/CertificatePrograms/GraduateFinanceCertificateProgram>