

Course Syllabus
NRRT650 Financial Management in Tourism; Section 001
Session 1; Beginning 8/22/2016
Department of Human Dimensions in Natural Resources
Masters in Tourism Management Program
Class every Tuesday 9:30 am – 10:45 am at Laurel House

Course Description

NRRT650, Financial Management in Tourism, focuses on enhancing the student’s understanding of key concepts of finance as they relate to managing a travel and tourism business. While many of the concepts covered in this course are applicable to those students who find themselves working for large corporations, the content also applies for those students working in or starting smaller entrepreneurial tourism enterprises. Discussions, applications, and case studies will enable students to apply concepts specifically to businesses within the travel and tourism industry. Section 1 of the course introduces students to the financial accounting aspect of finance, including an introduction to basic finance and economic concepts, and continues by discussing the development, interpretation, and analysis of financial statements. Section 2 addresses management accounting aspects of finance; including forecasting and budgeting; analysis of profit, and profitability; and working capital management. Section 3 focuses on techniques and decision-making regarding capital budgeting and the time-value of money.

Course Objectives

By taking this course, students will be able to...

- ...describe the basic concepts of finance and its importance to travel and tourism businesses.
- ...describe the role of finance in the broader function of financial management and planning of travel and tourism businesses and organizations.
- ...describe the nature of financial statements used by travel and tourism businesses.
- ...apply techniques for the analysis of financial statements for a travel and tourism business and organization.
- ...distinguish between profit and profitability.
- ...analyze the efficiency and effectiveness of a travel and tourism business and organization.
- ...describe the steps in selecting, evaluating, and applying financial forecasting models.
- ...describe a travel and tourism business’s revenue base, sales forecasts, assets, and a need for financing.
- ...apply methods of dealing with current asset management and current liability management.
- ...calculate and apply future- and present value of lump sums used to solve time-value-of-money problems.
- ...calculate and apply future- and present-value annuities used to solve time-value-of-money problems.
- ...describe the purpose, need, and implications for making appropriate capital budgeting decisions.
- ...describe the steps required in making a capital budgeting decision.

Course Materials

Required Text

Adelman, P.J. & Marks, A.M. (2014) Entrepreneurial Finance, 6th ed. 487 pages. Boston: Pearson.

Grading

<i>Assignment</i>	<i>Points</i>	<i>Percent</i>	<i>Grading Scale</i>
Learning Module Review Assignments (7 @ 5 points each)	35	10.5%	A+ ≥ 98.0%
Application Assignments (3 @ 100 points each)	<u>300</u>	<u>89.5%</u>	A 93.0% - 97.9%
			A- 90.0% - 92.9%
Total	<u>335</u>	<u>100.0%</u>	B+ 88.0% - 89.9%
			B 83.0% - 87.9%
			B- 80.0% - 82.9%
			C 70.0% - 79.9%
			D 60.0% - 69.9%
			F < 60.0%

Course Assignments

There are two types of credit-earning assignments for this class. These are weekly *Learning Module Review Assignments* (LMRA), and three *Application Assignments* (AA).

Learning Module Review Assignments (LMRA)

Each week, students will complete a *Learning Module Review Assignment* (LMRA), worth 5 points per week up to 35 points, 10.5% of the course grade. These assignments will involve responding to at least 10 of the *Review and Discussion Questions* (NOT the *Exercises and Problems*) at the end of the chapters for each Learning Module. The specific 10 questions you answer is completely up to you. You are required to answer ONLY 10 per Learning Module. If a Learning Module has more than one book chapter assigned, you select 10 questions total from the two chapters. If there are fewer than 10 questions available for a Learning Module, simply answer all that are available. The purpose of these assignments is to supplement your reading of the chapter and insure that you take some time to think about concepts from your reading. I am not looking for long detailed answers for these questions; you may simply summarize what you have read in response to the questions. You will be graded based on whether you completed the questions. I will not assign points based on the quality and in-depth nature of your answers. These assignments are intended to be individual assignments; however students may confer with one another if they are having difficulty with any question. Please note that the most benefit from the LMRAs will occur if each individual does their best to answer the questions in a way as to solidify their own learning. Responses should be typed, doubled-spaced, using a word processing program such as WORD, and posted via the Learning Module Review Assignment link in Canvas by midnight on Sunday of the week they are assigned and due (see *Due Dates for Assignments*). **Note: You DO NOT need to complete LMRAs for chapters 8 and 9 on the Time Value of Annuities class period. Simply read these chapters to prepare for that class period.**

Application Assignments (AA)

Students will complete three *Application Assignments* (AA), each worth 100 points for a total of 300 points, 89.5% of the course grade. Each student must turn in their own assignment, however they may confer with other students in completing the assignment. These assignments will be made up primarily of problems from each course section. AAs should be typed up using WORD, posted onto the course website in Canvas by midnight on Sunday of the week they are due (see *Due Dates for Assignments*).

Due Dates for Assignments

<i>Assignments</i>	<i>Week Assigned</i>	<i>Date Assignment Due</i>
LMRA 1 - 7	Weeks 1 – 7	Every Sunday by midnight
AA #1	2	Week 4; Sunday, 09/18 by midnight
AA #2	4	Week 6; Sunday, 10/02 by midnight
AA #3	6	Week 8; Sunday, 10/16 by midnight

Note: 10% of the points will be deducted for every day that the assignment is late, up to 5 days, after which the student will receive a 0 on that assignment.

The Course at a Glance

<i>Week/Dates</i>	<i>Topics</i>	<i>Readings</i>	<i>Class Period</i>
-------------------	---------------	-----------------	---------------------

<i>Section 1. Financial Accounting</i>			
Week 1 08/22 – 08/28	Learning Module 1. Introduction to Finance	A&M Chapter 1	Introduction to class Accounting 101 video: Financing, Investing, Operating
Week 2 08/29 – 09/04	Learning Module 2. Financial Management and Planning	A&M Chapter 2	Accounting 101 video: The Income Statement Accounting 101 video: The Balance Sheet
Week 3 09/05 – 09/11	Learning Module 3. Understanding and Analyzing Financial Statements	A&M Chapters 3 and 4 Financial Statement Case Study Reading	James Webb video: How to Analyze Financial Statements

<i>Section 2. Financial Management</i>			
Week 4 09/12 – 09/18	Learning Module 4. Profit, Profitability, and Breakeven Analysis	A&M Chapter 5	Accounting 101 video: The Retained Earnings Statement Accounting 101 video: The Cash Flow Statement
Week 5 09/19 – 09/25	Learning Module 5. Forecasting and Pro Forma Financial Statements	A&M Chapter 6	
Week 6 09/26 – 10/02	Learning Module 6. Working Capital Management	A&M Chapters 7	*Read A&M Chapters 8 & 9. Videos on Time Value of Money: Future and Present Value of Lump Sums and Annuities

<i>Section 3. Capital Budgeting Decisions</i>			
Week 7 10/03 – 10/09	Learning Module 7. Capital Budgeting	A&M Chapter 10	Videos on Capital Budgeting: Net Present Value, Payback Period, Internal Rate of Return, Profitability Index
Week 8 10/10 – 10/16	Learning Module 8. Capital Budgeting (continued)	A&M Chapter 10	Wrap up/evaluation
<i>*Note: You are NOT required to complete LMRA assignments related to chapters 8 and 9 of your textbook</i>			

OVERVIEW OF LEARNING MODULES

Following is a summary of the tasks you should complete for each Learning Module. These are not all required, however, this process will help learn the material as you move along.

Learning Module 1. Introduction to Finance, Financial Management and Planning

- A. Read Chapter 1 in textbook.
- B. View on-line lectures.
- C. Complete the LMRA #1 due by midnight Sunday 08/28/16.
- D. Complete even-numbered problems at the back of chapter and check answers in Appendix C of textbook (*optional*).
- E. Class session 1: Video on Finance, Investing, and Operating.

Learning Module 2. Financial Management and Planning

- A. Read Chapter 2 in textbook.
- B. View on-line lectures.
- C. Complete the LMRA #2 due by midnight Sunday 9/04/16.
- D. Begin work on AA #1; assignment due by midnight Sunday 9/18/16.
- E. Complete even-numbered problems at the back of chapter and check answers in Appendix C of textbook (*optional*).
- F. Class session 2: Videos on the Income Statement and Balance Sheet.

Learning Module 3. Understanding and Analyzing Financial Statements

- A. Read Chapters 3 and 4 in textbook and the Financial Statement Case Study.
- B. View on-line lectures.
- C. Complete the LMRA #3 due by midnight Sunday 9/11/16.
- D. Complete even-numbered problems at the back of chapter and check answers in Appendix C of textbook (*optional*).
- E. Class session 3: Video on Analyzing Financial Statements.

Learning Module 4: Profit, Profitability, and Breakeven Analysis

- A. Read Chapter 5 in textbook.
- B. View on-line lectures.
- C. Complete the LMRA #4 due by midnight Sunday 9/18/16.
- D. Complete AA #1 due by midnight Sunday 9/18/16
- E. Begin work on AA #2; assignment due by midnight Sunday 10/02/16.
- F. Complete even-numbered problems at the back of chapter and check answers in Appendix C of textbook (*optional*).
- G. Class Session 4: Videos on the Statements of Cash Flow and Retained Earnings.

Learning Module 5: Forecasting and Pro Forma Financial Statements

- A. Read Chapter 6 in textbook.
- B. View on-line lectures.
- C. Complete the LMRA #5 due by midnight Sunday 9/25/16.
- D. Complete even-numbered problems at the back of chapter and check answers in Appendix C of textbook (*optional*).
- E. Class Session 5:

Learning Module 6: Working Capital Management

- A. Read Chapter 7 in textbook.
- B. View on-line lectures.
- C. Complete the LMRA #6 due by midnight Sunday 10/02/16.
- D. Complete AA #2 due by midnight Sunday 10/02/16.
- E. Begin work on AA #3; assignment due by midnight Sunday 10/09/16.
- F. Complete even-numbered problems at the back of chapter and check answers in Appendix C of textbook (*optional*).
- G. Class session 6: Read chapters 8 and 9 in textbook on time-value of money. Videos on the Present and Future Value of Lump Sums and Annuities.

Learning Module 7: Capital Budgeting

- A. Read Chapter 10 in textbook.
- B. View on-line lectures.
- C. Complete the LMRA #7 due by midnight Sunday 10/09/16.
- D. Complete even-numbered problems at the back of chapter and check answers in Appendix C of textbook (*optional*).
- E. Class session 7: Videos on Capital Budgeting topics; Net Present Value, Payback Period, Internal Rate of Return, Profitability Index.

Learning Module 8: Capital Budgeting and Final Work and Wrap Up

- A. Read Chapter 10 in textbook.
- B. Complete AA #3 due by midnight Sunday 10/16/16.
- C. Class session 8: Class Recap and evaluation.