Electronic Applications for Performing Corporate Financial Analysis

Submitted March 17, 2014 at 12:28 pm

Application

Application Type: Educational

Funded: No

Prior ACITC Funding?: No

Description

This proposal is being jointly submitted by Dr. Joan Wiggenhorn and Dr. Amitabh Dutta.

Project Goals, Objectives & Outcomes

The goal of our project is to develop technology-based instructional materials for BUS 3401, Corporate Finance. For the past 10 years (prior to either professor being hired), students in Corporate Finance have been required to complete the workbook, Introduction to the Corporate Annual Report, 3rd edition 2011; Stanko and Zeller;

There are two major problems with this approach. While pedagogical issues are the most important, the cost factor is also significant as students must buy the $40 workbook and write in it so that there are no used copies or possibility of resale. This expense is in addition to the need to purchase a financial calculator and the additional textbook which can cost over $200.00.

The second major issue involves significant pedagogical issues. While writing in a workbook and calculating ratios and percents may have the benefit of reinforcing ideas, students would never be asked to determine common size financial statements or financial ratios in this manner in the real world. Our proposal involves development of an electronic methodology of calculating common size statements, ratios, and other financial data. Also, the current method involves using only the annual report, which can be outdated by almost a year.

In our project, students would download data directly from the Securities & Exchange Commission website to complete various analyses using Excel. In addition, students would be required to download additional information from sites such as Morningstar, Yahoo Finance, etc. Rather than just deal with a corporation’s annual report, this project would provide a better learning outcome being more comprehensive, hence, our title of “Electronic Applications for Performing Corporate Financial Analysis”. Rather than doing this in an ad hoc manner each semester, we propose to have a sample analysis completed as well as detailed instructions for students to follow.

Thus, our project would have several benefits:
(1) Lower costs for students.
(2) Use of most up to date financial data for a selected corporation.
(3) Analysis of a corporation going beyond just the usual calculations from financial statements.
(4) Providing students with an electronic method of completing a financial analysis of a firm.
(5) Enhance student Excel skills, which can strengthen a resume.

While the current instructors can incorporate some of the above in current classes, the improvements would not continue to be used by new faculty. Thus, we propose that a sample project be completed along with a handbook outlining the steps that students must take for the analysis. This project would be customized for our FIT students.

Student Participation in Project

We estimate that in addition to our input and instruction, it should take a student who is competent in corporate finance, Excel and English composition about 120 hours to complete the sample project and the handbook.

Interdisciplinary Features

The project crosses over into multiple degree programs within the Bisk College of Business including on-campus, online and off-site locations.

**Itemized Expenses**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Detailed Description Of Expense</th>
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</thead>
<tbody>
<tr>
<td>Hardware Purchases</td>
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<td></td>
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<tr>
<td>Software Purchases</td>
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<tr>
<td>Student Stipends</td>
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<td>1 student assistant for 20 hours per week and 6 weeks or 10 hours per week for 12 weeks. Faculty will be available as needed for the whole summer.</td>
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<tr>
<td>Misc</td>
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<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
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<td></td>
</tr>
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**Budget Justification**

The proposed project is unfunded. In order to make sure that the technology based materials will be available for students in the future, the project must be organized and structured. Therefore, $1,440 is being requested to pay for a student who must be competent in corporate finance, Excel, and English composition, hence the $12 an hour. While faculty will design and oversee the project, student will program excel spreadsheets, provide a completed example and an instruction booklet so that future professors will be able to incorporate project into their courses.