

# Syllabus for ITM 710

## Prerequisites

None

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## Course Description

Frame financial decisions within general and project accounting principles. Topics include: pro forma financial statements, time value of money, cash flows and equivalence, depreciation, net present value, rate of return, and ratio analysis. Prepare budgets that prioritize projects within constraints, address uncertainty and intangibles, and integrate with project scheduling.

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## Learning Objectives

Upon completion of the course, you will be able to do the following:

- Understand the financial decision-making framework and apply concepts and techniques to scenarios found in the world of practice
  - Calculate the time-value of money and convert cash flows into equivalent patterns
  - Evaluate projects using analytic methods that facilitate financial decision making and economic justification
  - Plan long-term investments, manage revenues and expenditures, and allocate resources through a systematic capital budgeting process
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## Course Alignment with Program Outcomes:

This course addresses the following competencies and program outcomes of the Master of Science in Information Technology Management:

- Competency A: Conduct financial analysis and develop and manage technology budgets
  - Program Outcome 1: Interpret and create pro forma financial statements
  - Program Outcome 2: Perform financial analysis for IT strategic planning purposes including portfolio management
  - Program Outcome 3: Develop and manage technology budgets

## Course Activities and Assessments

A variety of problem sets, multiple choice questions, and long answer answers are used to assess the learning. You will also use discussion boards to share, evaluate and reflect on what you have learned in the course.

Most of the discussions have a rubric associated with them. Rubrics attached to a discussion can be tricky to locate, so consult the Canvas Quick Start Guide for more information on how to do so.

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## Course Outline

The course is organized into the following five sections:

### Unit 1: The Financial Decision-Making Framework

- Module A: Financial Decision-Making Landscape
  - Topic 1: Economic Decision Making
  - Topic 2: Accounting's Role in Economic Decision Making
- Module B: Accounting's Role in Decision Making
  - Topic 1: Business Organizations and Activities
  - Topic 2: Financial Statements and Ratios
- Module C: Recording Business Transactions
  - Topic 1: Accounts and Double-Entry Accounting
  - Topic 2: The Accounting Cycle

### Unit 2: Time-Value of Money, Cash Flows, and Equivalence

- Module A: The Time-Value of Money
  - Topic 1: The Fundamentals of Cash Flows
  - Topic 2: Cash Flow Patterns and Interest Factors
  - Topic 3: Composite Cash Flows
- Module B: Cash Flows with Effective Interest Rates, Continuous Compounding, and Changing Interest Rates
  - Topic 1: Nominal and Effective Interest Rates
  - Topic 2: Evaluating Effective Interest Rates
  - Topic 3: Evaluating Continuous Compounding
  - Topic 4: Evaluating Changing Interest Rates

### Unit 3: The Framework for Economic Analysis and Financial Decision Making

- Module A: Modeling Project Economics
  - Topic 1: The Foundation of Financial and Economic Analysis
  - Topic 2: Constructing Pro Forma Statements
- Module B: Depreciating Assets
  - Topic 1: Depreciation
  - Topic 2: Reconciling Depreciation

- Module C: Financing Options
  - Topic 1: Fundamentals of Financing
  - Topic 2: Financing with Debt
  - Topic 3: Reconciling Financing Decisions
- Module D: Inflation
  - Topic 1: Inflation
  - Topic 2: Assessing the Impact of Inflation

#### **Unit 4: Evaluating the Economic Viability of One or More Investments**

- Module A: Investment Types and the Cost of Capital
  - Topic 1: Project Classifications and Types
  - Topic 2: The Cost of Capital
- Module B: Analyzing and Comparing Investments Using Value Measures
  - Topic 1: Value Measures
  - Topic 2: Analyzing Investments Using Value Measures
- Module C: Analyzing and Comparing Investments Using Relative Measures
  - Topic 1: Relative Measures
  - Topic 2: Analyzing Investments Using Relative Measures
- Module D: Analyzing Investments Using Payback Measures
  - Topic 1: Payback Measures
  - Topic 2: Analyzing Investments Using Payback Measures
- Module E: Analyzing Investments Using Cost Measures
  - Topic 1: Cost Measures
  - Topic 2: Analyzing Investments Using Cost Measures

#### **Unit 5: Financial Decision Making for IT Managers**

- Module A: Project Planning and Decision Making
  - Topic 1: Project Prioritization and Evaluation
  - Topic 2: Common Decision-Making Scenarios
- Module B: Incorporating Risk and Uncertainty Using Stochastic Models
  - Topic 1: Risk and Uncertainty in Economic Analysis
  - Topic 2: Assessing Risk and Uncertainty
- Module C: Budgeting Activities in Project Management
  - Topic 1: Project Budgeting
  - Topic 2: Tracking Budget Performance

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## **Course Policies**

### **Communication**

One of the most important skills you learn at the university is how to effectively communicate with busy people. One key communication principle is to select your communication channels based on your purpose and the attributes of the message. Therefore, we will use a variety of methods to communicate during the semester including the following:

**General Discussion Area**

I will use the tool to post announcements and answer general questions. You can also post questions for classmates.

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**Grading**

<b>Assignments</b>	<b>Points</b>
<b>Multiple Choice Quiz 2 x 80 points</b>	160
<b>Long Answer Quiz 2 x 20 points each</b>	40
<b>Problem Set 2 x 100 points &amp; 3 x 200 points</b>	800
<b>Discussions 3 x 25 points</b>	<b>75</b>
<b>Total</b>	<b>1075</b>

<b>Letter Grade</b>	<b>Percentage</b>
<b>A</b>	90-100%
<b>B</b>	80-89.9%
<b>C</b>	70-79.9%
<b>D</b>	60-69.9%
<b>F</b>	<60%