

Syllabus for ITM 710 Finance for IT Managers

NOTE: This syllabus document contains the basic information of this course. The most current syllabus is available in the full course.

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.

Prerequisites

None

Course Outcomes

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

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.

Course Outline

This course is organized into the following five units:

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

Grading

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

ITM710 - Finance for IT Managers

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