

May 18, 2016

RE: Pre-Skills Finance Course from Harvard Business School Publishing

Dear Incoming College Park MBA Student:

BUSM 610 is an introductory course in corporate financial management. The course outlines the financial concepts and techniques used to evaluate corporate decisions. The topics include the time value of money, estimating opportunity costs of capital, valuation of common securities, and discounted cash flow. The objectives are to introduce the language and structure of finance and to develop the ability to analyze financial decisions.

In my experience, finance is one of those topics that most people master through repetition. We have a limited amount of time together during the semester and the course covers a significant amount of material. While we do not expect you to have previously taken a finance course, the more that you have been exposed to finance prior to the course, the more you will get out of it. To better facilitate a basic awareness of finance before the course begins, I am asking you to complete the online pre-skills course from Harvard Business School Publishing entitled "Finance Online Course: Introductory Section". It is product number 6000-HTM-ENG (There is a second course available that has greater coverage but I am only asking you to complete the Introductory Section). **To encourage you to complete the course, 10% of your grade in BUSM 610 will come from whether or not you have obtained a score of at least 65% on Final Exam 1 by 6:00 pm on Sunday, August 7.** Note that while the website considers 75% to be passing, I am only looking for a score of 65%. Do NOT take Post-Test 2 unless I have specifically asked you to do so.

This online course introduces you to some of the material that we will cover in BUSM 610 (Time value of money, financial ratios, financial forecasting). I am not looking for you to have mastered these concepts before entering the course (why a 65% score is sufficient). Instead, I am looking for you to be familiar with them so that we can use our time together to push you closer towards mastery of the material.

The online course is **estimated to take from 8 to 10 hours** depending upon your experience with the material. If you have never been exposed to finance before, the course could take as long as 20 to 30 hours. You are urged to register for all of your online courses *as soon as possible*. Past experience indicates that many students significantly underestimate the time and effort needed to complete the courses. In addition, the more time you have given yourself to start learning some of the fundamental concepts of financial analysis, the less overwhelmed you will feel when the first semester is underway. I suggest that you complete the Financial Accounting online course before completing the Finance course.

If you have significant experience with the course material, it may be possible for you to successfully take the Final Exam without going through the various lessons in detail. Since you have only one chance to take the Final Exam, you should test your mastery by first taking the Pretest. Take the Pretest *only* if you have significant prior experience with the course material. If you score 75% or more on the pretest, you can consider taking the Final Exam without going through the various lessons in detail.

As a reminder, you will be taking the online course under the University of Maryland's *Code of Academic Integrity* (see <http://www.shc.umd.edu/code.html> for details). Any violation of this code, such as receiving help from another individual in taking a Test, will result in an automatic "XF" on your transcript with the notation "failure due to academic dishonesty".

Finally, I would also recommend that you make reading the financial press part of your daily routine. This could include the Wall Street Journal, the Financial Times, or watching networks such as CNBC or Bloomberg. If you are familiar with the financial issues reported upon in the press, it will enhance your understanding of the materials we examine in this course and the curriculum in general.

If you have any other questions, please feel encouraged to contact me via email at mfaulken@rhsmith.umd.edu. I look forward to working with you this fall.

Sincerely,

Michael Faulkender, PhD
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Director, Master of Finance Program
RH Smith School of Business
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