

IMBA PROGRAM
COLLEGE OF COMMERCE
NATIONAL CHENGCHI UNIVERSITY
(Course title)
Fall 2010

Course name: **Special topics on Profit Model.**

A course that makes it simple and easy for students to read and simplify financial statements. This course allows non-finance background students to learn financial statements and their physical interpretations. It covers financial statements of both ordinary businesses and banks. After the class, a student will no longer have fear of reading financial statements. It may be somewhat boring for a student with strong finance background as the professor has to take care of those students who are not proficient in finance. For those students who want to take this course and with strong financial background, please talk to professor for a special arrangement.

A. Instructor: Professor James LIU

Office: 4/F, 11-3, Lane 38, Tian Yu Street, Taipei, Taiwan, ROC

E-mail: drjamesliu@hotmail.com

Phone/Fax: 0931.193.710 02-2875-1637 (Fax) 0228742-611

Class Hours: Friday, 7:10PM to 10:00PM

Office Hours: Tuesday PM

B. Books

1. Textbook: Profit Model Lecturing Notes (by Prof. James LIU)
2. Recommended Books: Studying materials: A collection of financial statements of 20 companies. (by Prof. James LIU)
3. Reference book: Finance for non-finance managers (to be notified at the beginning of semester)

C. Course Objectives: To become proficient in reading financial reports, and whereby to analyze a company in business performance. Enable students to calculate business economic value and to apply it to stock investment.

D. Grading Policy : Midterm: one page of study report. End of semester: A group presentation on group assignment on the study of 4 companies in their business management quality, business risks and their economic value.

Individual final one page of study report.

E. Important Notes and Policies :

CLASS SCHEDULE

#	Date	Content	Text	Reading	Case
1.		How business is formed and how they produce profits. Model of business operation.	Notes	Notes	
2.		How business are represented by a set of numbers and their relationships to Balance Sheet and Income Statements.			
3.		Simplification of Income statement into 8 numbers, and exercises of the transformation with 3 companies.			
4.		Simplification of balance sheet into 7 numbers and exercise to learn how to do it with real cases of 4 companies.			
5.		How to calculate 16 numbers for the above constructed 15 numbers and number of shares outstanding. Interpretations of management quality.			
6.		How to calculate benchmark indicators of business risks, and their interpretations.			
7.		Calculations of business economic value, EV/share and comparing them with market stock price.			
8.		Bank financial statements, simplification of it into 16 numbers and the construction of the additional 16 benchmark indicators.			
9.		About banks, reserve ratios, interest rates, money supply and time value of money. Bond return calculation.			
10.		About investment: IRR calculation, ROE, ROA, and traditional financial measurements. Exercise of calculating IRR, ROE, ROA and discussions on their physical meaning.			
11.		Macro-economics: GDP, Interest rate, Money supply, inflation rate, unemployment rate and their impact on economic performance. Technical analysis of stock market.			
12.		Cases studies: XOM and PG			Please read

					materials ahead of class.
13.		Cases studies: Bank of America, JP Morgan, and Citi Group.			Please read materials ahead of class.

學習成效檢核表 ASSURANCE OF LEARNING CHECK LIST

期初 Part I – Before the Semester Begins 期末 Part II – After the Semester Ends

<i>Adherence to Mission</i>	
x <input type="checkbox"/> Technology 科技	x <input type="checkbox"/> Globalization 國際
x <input type="checkbox"/> Innovation 創新	x <input type="checkbox"/> Humanity 人文
<i>Adherence to Program Learning Goals</i>	
(請各單位助教把系、所、學程英文學習目標貼上，以利老師圈選)	
<input type="checkbox"/>	
<input type="checkbox"/>	
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<input type="checkbox"/>	
<i>Pedagogical Methodologies</i>	
x <input type="checkbox"/> Lecture	<input type="checkbox"/> e-Learning
x <input type="checkbox"/> Study Group	<input type="checkbox"/> Seminar
x <input type="checkbox"/> Case Study	<input type="checkbox"/> Internship
x <input type="checkbox"/> Project	<input type="checkbox"/> Independent Learning
<input type="checkbox"/> Role-Playing	<input type="checkbox"/> Theater Learning
<input type="checkbox"/> Others _____	
<i>Student Abilities Enhancement</i>	
x <input type="checkbox"/> Quantitative analysis 數量分析能力	x <input type="checkbox"/> Sympathy 同理心
x <input type="checkbox"/> Theory Development and Conceptual Thinking 邏輯思考分析	x <input type="checkbox"/> Teamwork 團隊合作
x <input type="checkbox"/> Strategic Thinking 策略性思考	x <input type="checkbox"/> Acceptance of Others 接受意見
x <input type="checkbox"/> Critical Thinking 評論性思考	x <input type="checkbox"/> Confidence 自信心
x <input type="checkbox"/> Quick Thinking 敏捷性思考	x <input type="checkbox"/> Self—management 自我管理

<input type="checkbox"/> Flexibility 彈性反應與適應力	<input checked="" type="checkbox"/> Professional Knowledge 專業知識
<input checked="" type="checkbox"/> Creativity 創造力	<input checked="" type="checkbox"/> Communication 溝通表達能力
<input checked="" type="checkbox"/> Persistency 堅持力	<input type="checkbox"/> Comprehension Ability <input checked="" type="checkbox"/> 聆聽能力
<input type="checkbox"/> Others 其他能力: _____	<input type="checkbox"/> Others 其他能力: _____

(Optional)

<i>Class Presentation</i>	
Rules	<i>Each individual is required to participate in the final group presentation. Grade will be given base on the degree of participation and ability to present. Communication skill is required for making a proper presentation.</i>
Presentation Score Sheet	<p>~~~suggested grading criterion~~~</p> <ul style="list-style-type: none"> ● <i>Presentation skills (PowerPoint aesthetics, complementarities of oral and visual communication)</i> ● <i>Language and clarity</i> ● <i>Handling of Q&A(attitude toward criticism and the way of answering)</i> ● <i>The content (richness in information, the structure, value-added in analysis, relevance to the subject)</i>

Grade will be given based on the followings:

1. Class attendance record. Punctuality on attending classes.
2. On class interactions.
3. Quality of mid-term study report.
4. Ability to participate in group final presentations.
5. Leadership in group study.

Students are required to submit picture and personal data including ID numbers, mobile phone #, email addresses, organization position, company name, to TA as well as personal experience in financial education, such that TA may organize into an enrollment list for professors.

TA shall assist the professor in preparing class before class begins.