

University of California at Santa Barbara
Bren School of Environmental Science & Management
ESM 279: Financial Management and Environmental Accounting
Spring 2016

Class: T/TH 4:00-6:30pm (Bren 1510)
Instructor: Eric Edwards; eric.edwards@usu.edu
Office Hours: By Appt (3418 Bren Hall)
Website: gauchospace.ucsb.edu

Introduction. Understanding finance and accounting is critical for any manager, whether working for a business, nonprofit, or governmental agency. The goal of this course is to provide an advanced introduction to financial management specifically geared for students interested in a career in environmental management. The topics and structure of the course are geared for a diverse range of interests, and the course will be a survey in many ways, as it will touch on several different topics that would traditionally be their own courses. However, all the material has been selected with the underlying theme of allowing students to effectively and correctly evaluate environmental projects from a financial perspective and convey the results in the language of business.

Lectures. Lecture will be the primary method through which information is conveyed in the course, including assignment information. If you miss a lecture, please talk to another student to see what you missed and get notes. Lecture slides will be available on Gauchospace but will not contain all of the content of the lectures themselves.

Readings.

Textbook (free):

Welch, Corporate Finance: 3rd Edition, 2014
Website: <http://book.ivo-welch.info/ed3/toc.html>

HBS Coursepack: <https://cb.hbsp.harvard.edu/cbmp/access/48184030>

Additional required readings and supplementary material will be posted on Gauchospace.

Policies

Attendance

There is no attendance requirement. As professional masters students, only you can make decisions on attending class versus other professional or personal activities. Participation grades may be affected when classes are missed.

Plagiarism

Plagiarism will not be tolerated. Policies can be found at:
<http://judicialaffairs.sa.ucsb.edu/AcademicIntegrity.aspx>

Accommodation

Please contact me in the first week of class if you require special accommodation. You must document any disability that requires accommodation through the Disabled Students Program: <http://dsp.sa.ucsb.edu/>

Grading and Assignments.

Participation (20%)

In-class participation includes small team assignments completed in class, quality of questions asked, and participation in class discussions.

Online Quizzes (30%)

Quizzes are short conceptual checks to be completed outside of class individually. Over the quarter, five quizzes will be completed online between classes, then discussed in class.

Final Project: Valuation of a Company (50% total)

Teams will choose a publicly traded company and use the concepts from class to value it. Teams will consist of two-three members. There are two aspects to the project: (1) Project Milestones and (2) Final Report and Spreadsheets that are discussed below. More detailed requirements will be distributed during the quarter.

Project Milestones (30% total)

- Milestone 1: Define Project (3%)
- Milestone 2: Financial Statement Analysis (9%)
- Milestone 3: Cost of Capital (9%)
- Milestone 4: Forecasting (9%)

Final Report and Spreadsheets (20%)

Teams will prepare a two-page memo describing their key findings in valuing a publicly traded company. In addition, teams will prepare an easy-to-interpret spreadsheet with all their projections and calculations. Templates for these types of spreadsheets will be provided throughout the quarter.

Tentative Course Schedule

Date	Topic	Due Dates
05-May	Risk and Return Markets	
10-May	Corporate Finance Non-profit Finance	M1 Define Project
12-May	Cost of Capital Leverage and WACC	
17-May	Income Statement Balance Sheet	M2 Cost of Capital
19-May	Statement of Cash Flows FS Analysis	
24-May	Forecasting	M3 FS Analysis
26-May	Valuation	
31-May	Environmental Accounting	M4 Forecasting
02-Jun	Project Finance: Wind Farms Options and Futures	
03-Jun	Presentations (tentative)	Project Report Due (June 8)

Note: See Gauchospace for updates to schedule and to find the readings for each class