Assignment for Week 10

- **Careers in Finance**
  Finance is an exciting field in need of intelligent, skilled people. The job opportunities range from corporate finance; financial planning; investment banking; insurance; and real estate from individuals, institutions, government, and businesses. Finance managers acquire, spend, and manage money and other financial assets.

  Use the Internet and / or Strayer Resource Center to research career options within the field of finance. Consider the Bureau of Labor Statistics Website, and the Websites of finance professional associations such as the Association for Financial Professionals (AFP), Society of Financial Service Professionals (SFSP), The National Association for Personal Financial Advisors (NAPFA), and Financial Management Association International (FMA).

  Write a two to three (2-3) page paper in which you:

1. Describe two (2) financial career options that an individual with a finance education might pursue and explain the value that such a position adds to a company.
2. Explain the essential skills that would make a person successful in each of the described positions.
3. Recommend one (1) of the career options. Identify the most attractive features of the position.
4. Format your assignment according to the following formatting requirements:

a. Typed, double spaced, using Times New Roman font (size 12), with one-inch margins on all sides.
b. Include a cover page containing the title of the assignment, the student's name, the professor's name, the course title, and the date. The cover page is not included in the required page length.

The specific course learning outcomes associated with this assignment are:

- Describe the forms of business organizations and the role of financial managers within an organization.
- Use technology and information resources to research issues in finance.

- Write clearly and concisely about finance using proper writing mechanics.

Grading for this assignment will be based on answer quality, logic / organization of the paper, and language and writing skills. Click here to view the grading rubric.

(see attached)

Attachment

Points: 100	Assignment: Careers in Finance				
Criteria	**Unacceptable** **Below 60% F**	**Meets Minimum Expectations** **60-69% D**	**Fair** **70-79% C**	**Proficient** **80-89% B**	**Exemplary** **90-100% A**
1. Describe two (2) financial career options that an individual with a finance education might pursue and examined the value that such a position adds to a company. Weight: 25%	Did not submit or incompletely described two (2) financial career options that an individual with a finance education might pursue and did not submit or incompletely examined the value that such a position adds to a company.	Insufficiently described two (2) financial career options that an individual with a finance education might pursue and insufficiently examined the value that such a position adds to a company.	Partially described two (2) financial career options that an individual with a finance education might pursue and partially examined the value that such a position adds to a company.	Satisfactorily described two (2) financial career options that an individual with a finance education might pursue and satisfactorily examined the value that such a position adds to a company.	Thoroughly described two (2) financial career options that an individual with a finance education might pursue and thoroughly examined the value that such a position adds to a company.
2. Explain the essential skills that would make a person successful in each of the described positions. Weight: 25%	Did not submit or incompletely explained the essential skills that would make a person successful in each of the described positions.	Insufficiently explained the essential skills that would make a person successful in each of the described positions.	Partially explained the essential skills that would make a person successful in each of the described positions.	Satisfactorily explained the essential skills that would make a person successful in each of the described positions.	Thoroughly explained the essential skills that would make a person successful in each of the described positions.
3. Recommend one (1) of the career options. Identify the most attractive features of the position. Weight: 25%	Did not submit or incompletely recommended one (1) of the career options. Did not submit or incompletely identified the most attractive features of the position.	Insufficiently recommended one (1) of the career options. Insufficiently identified the most attractive features of the position.	Partially recommended one (1) of the career options. Partially identified the most attractive features of the position.	Satisfactorily recommended one (1) of the career options. Satisfactorily identified the most attractive features of the position.	Thoroughly recommended one (1) of the career options. Thoroughly identified the most attractive features of the position.
4. Clarity, writing mechanics, and formatting requirements Weight: 25%	More than 8 errors present	7-8 errors present	5-6 errors present	3-4 errors present	0-2 errors present

Homework Assignment

There are three (3) types of textbook based homework items located at the end of each chapter. These include Discussion Questions (DQ), Exercises (E), and Problems (P). Some homework items have been custom created.

Complete the following homework scenario:

- Required:
  Compare the results of the three (3) methods by quality of information for decision making. Using what you have learned about the three (3) methods, identify the best project by the criteria of long term increase in value. (You do not need to do further research.) Convey your understanding of the Time Value of Money principles used or not used in the three (3) methods. Review the video titled “NPV, IRR, MIRR for Mac and PC Excel” (located at https://www.youtube.com/watch?v=C7CryVgFbBc and previously listed in Week 4) to help you understand the foundational concepts:

  Scenario Information:
  Assume that two gas stations are for sale with the following cash flows; CF1 is the Cash Flow in the first year, and CF2 is the Cash Flow in the second year. This is the time line and data used in calculating the Payback Period, Net Present Value, and Internal Rate of Return. The calculations are done for you. Your task is to select the best project and explain your decision. The methods are presented and the decision each indicates is given below.

Investment	**Sales Price**	**CF1**	**CF2**
Gas Station A	$50,000	$0	$100,000
Gas Station B	$50,000	$50,000	$25,000

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Three (3) Capital Budgeting Methods are presented:

1. **Payback Period:** Gas Station A is paid back in 2 years; CF1 in year 1, and CF2 in year 2. Gas Station B is paid back in one (1) year. According to the payback period, when given the choice between two mutually exclusive projects, the investment paid back in the shortest time is selected.
2. **Net Present Value:** Consider the gas station example above under the NPV method, and a discount rate of 10%:
   $NPV_{\text{gas station A}} = \$100{,}000/(1+.10)^2 - \$50{,}000 = \mathbf{\$32{,}644}$
   $NPV_{\text{gas station B}} = \$50{,}000/(1+.10) + \$25{,}000/(1+.10)^2 - \$50{,}000 = \mathbf{\$16{,}115}$
3. **Internal Rate of Return:** Assuming 10% is the cost of funds; the IRR for Station A is 41.421%.; for Station B, 36.602.

Summary of the Three (3) Methods:

- Gas Station B should be selected, as the investment is returned in 1 period rather than 2 periods required for Gas Station A.
- Under the NPV criteria, however, the decision favors gas station A, as it has the higher net present value. NPV is a measure of the value of the investment.
- The IRR method favors Gas Station A. as it has a higher return, exceeding the cost of funds (10%) by the highest return.