

Journalism 616

Financial Fundamentals for Communicators

Spring 2020

1-2:15 p.m. Mondays and Wednesdays
Stauffer-Flint 303

Instructor

Rob Karwath | General Manager and News Adviser, University Daily Kansan
Stauffer-Flint 109 | rkarwath@ku.edu | 218-343-9418 (call/text best way to reach me)
Office hours: By appointment. Please call or text me to let me know when you can come by. I am often in my office or in the newsroom and happy to meet with you. But let's schedule our meeting.

Overview

Journalism 616, Financial Fundamentals for Communicators, is designed to provide you with an understanding and experience in practical application of business and financial fundamentals. You will learn how businesses, industries and markets operate, how financial performance is reported and measured, and how effectively communicating this information is important to the investing public and well as news and information consumers.

This course will give you the ability to:

- Understand how companies operate as businesses
- Understand important issues in the global economy
- Understand the basics of accounting and finance, including key financial statements
- Find and understand important financial and other documents that U.S. public companies file with the U.S. Securities and Exchange Commission and disclose themselves
- Dissect and explain a public company's financial statements
- Compare public companies' financial statements
- Analyze and draw informed conclusions about public companies' financial conditions
- Write and share business and financial information confidently and clearly
- Work in teams to share business case-study information and compare public companies
- Understand and communicate key personal finance issues

Throughout this class, you should put yourself in the role of a financial communicator. Some of these jobs include:

- A **news reporter** covering business who has been assigned to cover specific companies or industries
- A **stock or market analyst** following specific companies or industries for the investing public
- A **financial adviser** who follows specific companies or industries to recommend investments for clients
- A **strategic communicator** assigned to cover specific companies or industries and then to share information evaluating markets, partnerships or business opportunities

Required text and materials

We have no specific text for this course, but you need to be a regular consumer of business and financial news. Some of the best sources are:

- The Wall Street Journal
- The New York Times
- Bloomberg
- Forbes
- CNBC
- MarketWatch
- Financial Times
- Business Insider
- Yahoo! Finance
- CNN Money
- Motley Fool (a good resource for business terminology)
- Investopedia (a good resource for business terminology)
- Seeking Alpha

I also will assign you readings from time to time based on financial conditions, issues or company news that is timely and relevant to our learning.

Finally, don't overlook business stories in local and regional media, including: the University Daily Kansan, the Lawrence Journal-World, the Kansas City Star, National Public Radio/Kansas Public Radio, WDAF-TV (Fox 4), KCTV-TV (CBS 5), KMBC-TV (ABC 9) and KSHB-TV (NBC 41).

If you have suggested additions to our class reading list or questions about content provided by these or other outlets, please bring them forward to me or to our class. If you have questions about financial or investment terms, please talk to me or bring them up in class.

Specific responsibilities and class expectations

- Our class will be a mix of lecture/discussion and lab/discussion sessions. Generally, we will cover a topic on **Monday lecture** and discuss the subject that same day. In **Wednesday lab**, you individually or in a group will work on a project related to the week's discussion topic. We will do some group discussion in lab sessions also.
- We will begin each class (lecture and labs) by taking a moment to **review the current markets and business news**. We'll bring in resources such as CNBC and topics from some of the news outlets mentioned above for a quick discussion. Then we'll proceed with the subject of the lecture or lab for that day. Keep an eye on business news every day so you can be prepared to join in our discussions.
- Working like a reporter, an analyst or a strategic communicator, you will **pick two public companies in the same industry** to watch and report on throughout the semester. You will produce reports each week on your companies, reviewing their news, performances, public disclosures and market conditions. You will become familiar with these companies' financial statements and learn to dissect them as well as to pull news and information from the numbers they share. I strongly suggest that you set Google alerts (and perhaps other alerts) as an easy way (but not the only way) to notify you and gather information about your companies and their industry.

- You will file **weekly one-page papers** reporting on your companies, ranging from reviews of their financials to reviews about their stock performances and other news. Early in the semester, I will provide the subjects to cover, such as your companies' presence in the news or a review of one of their financial documents, such as the income statement. Later in the semester, I will ask you to provide me short weekly updates on your companies at the end of analyses of case studies we'll review in class. You can gather information about your companies from their SEC filings, from what analysts and industry experts say about your companies and from what your companies say about themselves in news releases and social media. Each of these weekly reports will be presented in the form of a one-page paper of about 350 words, single-spaced. **Your one-page papers will be due at the start of class each Wednesday, beginning the second Wednesday of the semester (see the specific class schedule below).**
- Later in the semester, these one-page papers will transition to **analyses of our case studies** about companies and industries provided in lecture, by me and your fellow students. Each of these weekly one-page papers will be about 250 words, single-spaced. At the end of your case study analysis, you will provide me a quick update on your companies. The update should be 50 to 100 words in a chunky paragraph. Like the earlier one-page papers, these papers will be due at the start of class each Wednesday (see specific class schedule below).
- You will work in a group to propose, gather information for and present to the class **your own case study** of a company, companies or an industry.
- You will write a **final paper** analyzing your two companies in the same industry and recommending action to your audience (conclusions about news, an investment recommendation or a strategic business recommendation such as a partnership).
- You will file all papers and class materials to me via a class **Slack account** that I will establish. Please file your papers as Word documents in Slack. I would prefer that you text, call or email me (in that order) if you have questions or want to connect rather than trying to message me via Slack. I will share some messages and content with you in Slack, though. If you are unfamiliar with Slack, please let me know. It's a simple system.

Course schedule

Below is a breakdown of our course schedule, which is subject to change:

- **Week one**
 - **Wednesday Jan. 22:** Class introduction, syllabus review, why financial understanding and communication is important.
- **Week two**
 - **Monday Jan. 27:** Lecture: Markets, exchanges, buying stock. One-page paper due: What do you want to learn in this class?
 - **Wednesday Jan. 29:** Lab: Pick your industry and your two companies.
- **Week three**
 - **Monday Feb. 3:** Lecture: Overview of accounting, SEC filings. One-page paper due: Why did you pick your companies/industry?
 - **Wednesday Feb. 5:** Lab: Review your companies' SEC filings.

- **Week four**
 - **Monday Feb. 10:** Lecture: Income statement. One-page paper due: Your companies/industry in the news and social media.
 - **Wednesday Feb. 12:** Lab: Review your companies' income statements.
- **Week five**
 - **Monday Feb. 17:** Lecture: Balance sheet. One-page paper due: Your companies' income statements.
 - **Wednesday Feb. 19:** Lab: Review your companies' balance sheets.
- **Week six**
 - **Monday Feb. 24:** Statement of cash flows, common size analysis, ratio analysis. One-page paper due: Your companies' balance sheets.
 - **Wednesday Feb. 26:** Lab: Review your companies' cash flows and apply common size and ratio analysis.
- **Week seven**
 - **Monday March 2:** EBITA, goodwill and impairment. One-page paper due: Your companies' statements of cash flows and common-size/ratio analysis.
 - **Wednesday March 4:** Form case-study groups, begin picking companies or industry to review in your case study.
- **SPRING BREAK, week of March 9, no classes**
- **Week eight**
 - **Monday March 16:** Lecture: First lecture case study (perhaps drug stores). One-page paper due: What is new with your companies and industry? Some areas to review include: News, stock performance, financial disclosures and social media.
 - **Wednesday March 18:** Lab: Discuss first lecture case study.
- **Week nine**
 - **Monday March 23:** Lecture: Second lecture case study (perhaps FANG). One-page paper due: Review of first lecture case study. What did you learn? Include update on news about your companies/industry.
 - **Wednesday March 25:** Lab: Discuss second lecture case study.
 - **TENTATIVE: Friday March 27:** Kansas City-area newsroom tours (most of the day), extra credit opportunity (50 points).
- **Week 10**
 - **Monday March 30:** Lecture: Third lecture case study (perhaps heavy industry). One-page paper due: Review of second lecture case study. What did you learn? Include update on news about your companies/industry.
 - **Wednesday April 1:** Lab: Discuss third lecture case study.

- **Week 11**
 - **Monday April 6:** Lecture: First student case study. One-page paper due: Review of third lecture case study. What did you learn? Include one update on news about your companies/industry.
 - **Wednesday April 8:** Lab: Discuss first student case study.
- **Week 12**
 - **Monday April 13:** Lecture: Second student case study. One-page paper due: Review of first student case study. What did you learn? Include one update on news about your companies/industry.
 - **Wednesday April 15:** Lab: Discuss second student case study.
- **Week 13**
 - **Monday April 20:** Lecture: Third student case study. One-page paper due: Review of second student case study. What did you learn? Include update on news about your companies/industry.
 - **Wednesday April 22:** Lab: Discuss third student case study.
- **Week 14**
 - **Monday April 27:** Lecture: Fourth student case study. One-page paper due: Review of third student lecture case study. What did you learn? Include update on news about your companies/industry.
 - **Wednesday April 29:** Lab: Discuss fourth student case study.
- **Week 15**
 - **Monday May 4:** Lecture: Personal finance.
 - **Wednesday May 6:** Lab: Discuss personal finance and what it means for you as a communicator and a consumer.
- **FINALS WEEK, no classes, final paper on your companies and industry is due by 2 p.m. Monday May 11**

Grading

Here is how you will be graded:

- | | |
|--|----------------------------|
| • 13 one-page papers, 50 points each | 650 points |
| • One case study presentation with a group (group grade for all) | 400 points |
| • Final paper analyzing your company and industry | 650 points |
| • Class attendance and participation | 300 points |
| <u>Total</u> | <u>2,000 points</u> |

You have one extra credit opportunity during the semester. I recommend making time to take advantage of it, for the unique learning but also for the extra points. We'll talk more about this as the date approaches:

- TENTATIVE: March 27 Kansas City-area newsroom tours, 50 points

A note on attendance: Your classmates and I expect you to be in class and to actively participate in our discussions. Unexcused absences will count 10 points each against your attendance and class participation point total. Please let me know if you are ill or have any other reason for an excused absence.

Your final grade will be a letter grade. Here is the grading scale:

A	93 to 100 percent	C	73 to 76 percent
A-	90 to 92 percent	C-	70 to 72 percent
B+	87 to 89 percent	D+	67 to 69 percent
B	83 to 86 percent	D	63 to 66 percent
B-	80 to 82 percent	D-	60 to 62 percent
C+	77 to 79 percent	F	59 percent or lower

Ethics and academic misconduct

Ethics violations can lead to a failing grade on assignments and in this course. If you have questions about these issues in general or during your work for this class, please see me. Do not wait to ask questions about ethics issues.

As students in the William Allen White School of Journalism and Mass Communications, you are subject to our school's zero-tolerance policy for plagiarism and other academic dishonesty. Sanctions can range from a failing grade in this course to expulsion from the school. We are all Jayhawk journalists. That role comes with high professional expectations and responsibilities, which our alumni have honored and upheld for decades. Take seriously your role as keepers of our ethical and professional responsibilities.

Journalism school policy on classroom attendance

No student may add a journalism class after the 20th day of a semester. Students must attend their classes and laboratory periods. Instructors may take attendance into account in assessing a student's performance and may require a certain level of attendance for passing a course. Instructors may choose to drop students from a course, based on attendance, without consent. The School of Journalism reserves the right to cancel the enrollment of students who fail to attend the first class or laboratory meeting.

Financial aid policy

The KU Office of Student Financial Aid is required by federal law to determine whether students who receive aid are attending each class in which they are enrolled. Instructors are required to report to that office absences of students who have stopped attending and names of those who have enrolled but never have attended. Students who do not attend classes may be required to repay federal and/or state financial aid. Students who receive any form of financial aid should learn all requirements, including minimum hours of enrollment and grades to qualify for and retain that aid.

Misconduct

You are bound by the University of Kansas rules on academic misconduct. If you have any questions about what constitutes cheating, ask BEFORE you take any action.

Plagiarism and fabrication/falsification policy

The School of Journalism does not tolerate plagiarism, fabrication of evidence and falsification of evidence. Penalties for plagiarism, fabrication or falsification can include a failing grade for the course and expulsion from the school. If you have any questions about what constitutes plagiarism, fabrication or falsification, please consult me. The following definitions are from Article II, Section 6, of the University Senate Rules and Regulations, revised FY98:

- **Plagiarism:** Knowingly presenting the work of another as one's own (i.e., without proper acknowledgement of the source). The sole exception to the requirement of acknowledging sources is when the information or ideas are common knowledge.
- **Fabrication and falsification:** Unauthorized alteration or invention of any information or citation in an academic exercise.

Students with special needs

The Office of Disability Resources, 22 Strong Hall, 785-864-2620 (V/TTY), coordinates accommodations and services for KU students with disabilities. If you have a disability for which you may request accommodation in KU classes and have not contacted this office, please do so as soon as possible. Please also contact me privately in regard to this course.

Copying or recording

Course materials prepared by me, as well as content of all lectures presented by me, are my property. Video and audio recording of lectures without my consent is prohibited. On request, I may permit students to record lectures, on the condition that these recordings are only used as a study aid by the individual making the recording. Unless I give explicit permission, recordings of lectures may not be modified and must not be transferred or transmitted to any other person, regardless of whether that individual is enrolled in the course.

About your instructor

Rob Karwath is general manager and news adviser of the Jayhawk Media Group and the University Daily Kansan, the student-run voice of the University of Kansas community since 1904. He also is an instructor in the William Allen White School of Journalism and Mass Communications. Before coming to KU, Karwath was a reporter, editor and media business executive. He also founded and serves as CEO of North Coast Communications, a Minnesota-based strategic communications firm with clients nationwide.

Karwath began his career as a reporter at the Chicago Tribune, rising through the ranks to become business editor, political editor, Sunday editor, general manager, product development director and innovation editor. As business editor, he led a team of reporters whose series on the downfall of the Arthur Andersen accounting firm was a finalist for the Pulitzer Prize.

Karwath also was executive editor of the Duluth News Tribune and directed content and business operations of Knight Ridder Inc.'s six newspapers and magazines in northeast Minnesota and northwest Wisconsin. He co-founded the news operation of partner television station KQDS-TV and co-anchored the station's nightly broadcast.

He holds a Bachelor of Science Degree with honors in Journalism from the University of Kansas and an MBA with honors from the University of Chicago's Booth School of Business. As a KU student, he worked as a reporter, news editor and editor-in-chief of the University Daily Kansan.