

BSCI 4800 (Section 1)
CONTRACTING BUSINESS
Fall Semester, 2007

Instructor: J. Mark Taylor
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Office hours:
10:00 am – Noon – Monday and Wednesday
11:00 am – Noon – Tuesday and Thursday
Or by appointment

Required Texts:
None

Recommended Texts:
Construction Contracting, 7th Ed.
Clough, Sears and Sears
John Wiley & Sons, Inc.

Class Schedule:
9:30 am - 10:45 am, Tuesday and Thursday

Credit Hours:
3.0 Credit Hours – Lecture
0.0 Credit Hours – Lab

Course Objectives:

- To achieve an understanding of the make-up of a construction company from a business / financial standpoint.
- To develop an understanding of the mayor areas of construction business management and the function of the business manager in the construction environment.
- To develop an understanding of key financial management principles, decision processes and financial documents in construction business management.

To explore current executive management issues in the construction industry; i.e., labor relations, employment law, corporate ethics, growth management, etc.

To prepare the student to complete the company organization, legal documents and financial portions of their thesis project. The class will develop a fictitious construction company; develop financial statements, budgets, cash flow statements and a business plan.

Learning Outcomes:

1. Selecting the Business Structure (Choice of Entity)
Students will be able to identify the major types of business structures or entities and the pros and cons of each type used by commercial contractors. The students will learn what regulatory requirements apply to the different types of business structures and will be able to discuss the economic impact to the business owner.
2. Organization of Construction Companies
Students will be able to describe the different types of hierarchal organization used by commercial construction companies.
3. Construction Accounting
Students will understand the basic difference between different methods of accounting used by construction companies and accounting requirements imposed by the IRS.
4. General Overhead
Students will be able to identify general overhead categories and accounting line items used to account for general overhead expenses.
5. Financial Statements and Ratio Analysis
Students will be able to review and analyze a commercial contractor's financial statement using the most appropriate economic ratios. Students will also prepare financial statements for a hypothetical construction company.
6. Annual Budgeting
Students will understand the importance of preparing an annual budget for a commercial contractor. Students will be able to identify the steps required in developing a budget statement for future years.
7. Cash Flow Analysis
Students will be able to develop a cash flow statement for a commercial contractor based upon the company's financial statements and the monthly fluctuation of business activity.
8. Asset Acquisition
Students will be able to identify the types of assets purchased and leased by commercial contractors and make a financial analysis of whether it is in the economic interest of the company to purchase or lease the asset. The students will be able to identify depreciation and expense requirements of the IRS as they apply to construction equipment.
9. Business Plan

Students will be able to develop a business plan for a hypothetical commercial contractor.

Evaluation:

Tests:

Tests will consist of multiple choice or short answer/short problem/discussion questions. Questions will be from class discussions. Five one-hour tests will be given. The lowest of the five test scores will be dropped with the remaining four tests each counting 17.50% of your class average. In order for the Quiz 5 to be dropped as the low test score, this Quiz MUST be taken and you MUST receive a passing grade. If you do not receive a passing grade on Quiz 5, each of the five quizzes will count towards your final average; i.e., the five quizzes will each count 14% of your grade.

Exercise:

Three exercises/projects will be given. The exercise/project may be done individually or in groups of two (a two person team is recommended).

- Exercise 1 - Financial Statements
- Exercise 2 – Cash Flow Analysis
- Exercise 3 - A Business Plan

Daily Quizzes:

During the term daily quizzes may be given during class. These daily quizzes cannot be made up at a later date; i.e., you must be in class to do the daily quiz. The daily quizzes will be added as bonus points to your final average.

Schedule and weight:

Event	Date	Weight
Quiz 1	Sept 6 th	17.50%
Quiz 2	Sept 27 th	17.50%
Quiz 3	Oct 18 th	17.50%
Quiz 4	Nov 8 th	17.50%
Quiz 5	Dec 6 th	Drop Lowest of Q1 – Q5
Exercise 1	TBD	10%
Exercise 2	TBD	10%
Exercise 3	Nov 29 th	10%

Note: Lowest score on Quiz 1 through Quiz 5 will be dropped.

Participation:

Student participation in class is encouraged and is expected.

Grading Scale:

90% and higher = A

80% - 89.99% = B

70% - 79.99% = C

60% - 69.99 = D

Below 60% = F

General Information:

Testing:

There will be five scheduled tests in accordance with the above identified dates. Tests are closed book, and must be taken at the scheduled time. There will be no exceptions and no make-up tests (except in cases of emergency). Tests will be graded, returned and recollected in class. All tests are mandatory. Students are required to remove hats and sunglasses and turn off all electronic communication devices (cell phones, etc.) during the test.

Honor Code:

The policy regarding cheating is as follows:

Auburn University expects students to pursue their academic work with honesty and integrity. Violations of this principle, which are enumerated in the Tiger Cub include:

Any communication between students during an examination.

Plagiarism (submission of work that is not one's own without proper acknowledgment).

Students with Disabilities:

Students who need accommodations are asked to arrange a meeting during office hours the first week of classes, or as soon as possible, if accommodations are needed immediately. If you have a conflict with your instructors' office hours, an alternate time can be arranged. To set up this meeting, please contact your instructor by E-mail. Bring a copy of your Accommodation Memo and an Instructor Verification Form to the meeting. If you do not have an Accommodation Memo but need accommodations, make an appointment with The Program for Students with Disabilities, 1244 Haley Center, 844-2096 (V/TT).

Syllabus is subject to change with prior notice.