Southern New Hampshire University

FIN 330 Module Four Journal Guidelines and Rubric

Overview: This journal activity is private between you and the instructor.

In this course, journal activities allow you to simulate actual activities in the field of finance. For example, you are asked to create emails related to specific scenarios. The sender, recipient, and subject line for these emails are not a focus of this activity. Instead, this activity focuses on the substance within the body of the email itself.

Prompt: Before completing this activity, review Chapters 14 and 15 of your textbook. In this scenario, imagine that you are a financial analyst at the corporation you selected for your final project, and one of your peers from a non-financial department is confused about why capital structure is important. You have been asked to explain the topic in terms that are not too technical. In an email memo to your peer, address the critical elements below.

Specifically, the following critical elements must be addressed:

I. Explain the **meaning** of capital structure, cost of capital, and weighted average cost of capital (WACC).
II. Describe how capital structure and cost of capital affect the way that a company is **valued** by investors.
III. Utilize vocabulary and explanations **suitable for a non-expert** in finance to understand the communication.

Rubric

Guidelines for Submission: Your journal assignment must be 5–6 paragraphs in length and must address all of the critical elements. Your assignment should use at least two sources cited in APA format. Consider utilizing required readings, as well as recent news articles.

Critical Elements	Exemplary (100%)	Proficient (85%)	Needs Improvement (55%)	Not Evident (0%)	Value
Meaning	Meets “Proficient” criteria and demonstrates a deep understanding of the topic	Explains the meaning of capital structure and cost of capital	Explains the meaning of capital structure and cost of capital, but explanation is inaccurate and/or incomplete	Does not explain the meaning of capital structure and cost of capital	30
Value	Meets “Proficient” criteria and provides an insightful description	Describes how capital structure and cost of capital affect the way that a company is valued by investors	Describes how capital structure and cost of capital affect the way that a company is valued by investors, but description is inaccurate and/or incomplete	Does not describe how capital structure and cost of capital affect the way that a company is valued by investors	30

Suitable for a Non-Expert	Meets “Proficient” criteria and provides a clear and concise explanation that is easily understood	Utilizes vocabulary and explanations suitable for a non-expert in finance to understand the communication	Utilizes vocabulary and explanations suitable for a non-expert in finance to understand the communication, but is overly technical or unclear in one or more area	Does not utilize vocabulary and explanations suitable for a non-expert in finance to understand the communication	30
Articulation of Response	Meets “Proficient” criteria and is presented in a professional and easy-to-read format	Journal assignment is well-organized, clear, concise, convincing, and free of spelling, syntax or grammar errors, with relevant sources that are authoritative and properly cited	Journal assignment has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Journal assignment has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	10
				Total	**100%**