

Course Number	MGMT 2320
Course Title	MANAGERIAL FINANCE
List of topics covered	<p>An undergraduate level introduction to corporate financial analysis and decision making.</p> <p>This course covers the following topics: financial statement analysis, valuation principles, risk and return analysis, working capital management, capital budgeting, cost of capital, capital structure, and dividend policy.</p> <p>COURSE GOALS/OBJECTIVES:</p> <ol style="list-style-type: none"> 1. Develop an understanding of basic financial topics such as risk versus return, the time value of money, the valuation and pricing of financial assets, and the benefits of diversification. 2. Ability to apply the above techniques to carry out capital budgeting tasks. 3. Understanding of basic financial securities including equities, debt instruments, and derivatives. 4. Ability to value securities using basic concepts such as risk versus return, diversification, and market efficiency, and the time value of money.
Textbooks (Include author name and edition)	<ol style="list-style-type: none"> 1. Berk, Jonathan and Peter DeMarzo (2014): Corporate Finance, 4th Edition. Pearson (Boston, MA). ISBN-13: 978-0134083278, ISBN-10: 013408327X. 2. Any other material will be distributed by the instructor.
Grading scheme	<p>Homework: 10%</p> <p>In-class labs: 25%</p> <p>Exam 1: 20%</p> <p>Exam 2: 20%</p> <p>Project: 25%</p>



SYLLABUS

Managerial Finance Summer ARCH Version

MGMT 2320 (CRN 16510)

Credit Hours 4

Summer ARCH 2021

Room Location: TBA (Monday, Thursday 1:00pm – 3:05pm)

Course website: lms.rpi.edu

Prerequisites or Other Requirements: MGMT 2300: Fundamentals of Accounting for Decision Making.

INSTRUCTOR

Instructor Name: Brian Clark

Tel. No.: 518-276-4467 (email preferred)

Office Hours: All office hours will be held virtually via WebEx by appointment.

Office Location: Pitts 1110

Email Address: clarkb2@rpi.edu

In case of another email or server outage or to contact me after normal work hours, I can be reached at clarkb2rpi@gmail.com.

COURSE DESCRIPTION:

An undergraduate level introduction to corporate financial analysis and decision making. This course covers the following topics: financial statement analysis, valuation principles, risk and return analysis, working capital management, capital budgeting, cost of capital, capital structure, and dividend policy.

REQUIRED TEXT(S):

1. Berk, Jonathan and Peter DeMarzo (2014): Corporate Finance, 4th Edition. Pearson (Boston, MA). ISBN-13: 978-0134083278, ISBN-10: 013408327X.
2. Any other material will be distributed by the instructor.

COURSE GOALS/OBJECTIVES (OPTIONAL)

1. Students should develop an understanding of basic financial topics such as risk versus return, the time value of money, the valuation and pricing of financial assets, and the benefits of diversification.

2. Ability to apply the above techniques to carry out capital budgeting tasks.
3. Understanding of basic financial securities including equities, debt instruments, and derivatives.
4. Ability to value securities using basic concepts such as risk versus return, diversification, and market efficiency, and the time value of money.

STUDENT LEARNING OUTCOMES

1. Financial Skills: Students should be able to conceptualize and apply key financial theories to assess corporate financial decisions.
2. Financial Skills: Students should be able to value securities using basic financial ratios and data.
3. Financial Skills: Students should be able to carry out discounted cash flow analysis for decision making.

COURSE ASSESSMENT MEASURES

The grade for the course will be based on performance exams, case studies, homework assignments, and class participation.

Homework: Assigned during lectures – reading, research, and problems. Homework assignments must be done individually, unless explicitly stated otherwise (by the instructor). Discussions with classmates and the instructor are strongly encouraged, but eventual implementation, analysis, and writing must be individual work. Homework is due at the start of the lecture the day it is due. Homework will be graded on a scale of 0-3. **No late homework will be accepted without *prior* approval from the instructor.**

In-Class Labs In-class labs will be assigned throughout the semester. These assignments are typically more involved than regular HW assignments. As with HW assignments, discussions with classmates and the instructor are strongly encouraged, but eventual implementation, analysis, and writing must be individual work. Solutions will be submitted online via LMS.

REMOTE ASYNCHRONOUS STUDENTS: Students taking the course remotely and asynchronously will have 24 hours from the end of the live lecture to complete the in-class labs. It is your responsibility to view the lecture and complete any in-class labs as the assignments will often be announced in class.

- Exams:** There are two exams for the course. The first exam will be administered prior to add/drop deadline and the second exam will be administered at the end of the semester. The exams will be open book and submitted online via LMS.
- Project:** There will be a group project assigned during the semester that will be due during finals week. Specific details regarding the project will be announced in class. The major components of the project grade will be 1) a presentation and 2) the final deliverable (e.g., a report, app, etc.).
- Class Participation:** Class participation is a necessary and integral part of learning and as such is required. However, due to the unique situation caused by the COVID-19 pandemic, some students will attend in person and others will attend virtually. Students should make every reasonable effort to attend classes synchronously (i.e., view lectures live).

GRADING CRITERIA

Grading Scheme:

Homework: 10%

In-class labs: 25%

Exam 1: 20%

Exam 2: 20%

Project: 25%

Letter Grades*:

Minimum	Maximum	Letter Grade
92	100	A
90	91	A-
87	89	B+
83	86	B
80	82	B-
77	79	C+
73	76	C
70	72	C-
67	69	D+
60	66	D
0	59	F

***Letter grade breakpoints may be adjusted slightly based on the mean or median of the overall class score.**

ATTENDANCE POLICY

Class attendance is an integral part of learning. However, due to the unique situation caused by the COVID-19 pandemic, some students will attend in person and others will attend virtually. Students should make every reasonable effort to attend classes synchronously (i.e., view lectures live).

Remote asynchronous students are required to view the recorded lectures and submit any in-class assignments within 24 hours of the live lecture.

OTHER COURSE POLICIES (OPTIONAL)

Class Participation:

The course is a coproduction of your and my efforts - this means you are a producer as much as a consumer of the course. You are required to ask questions, respond to my questions, advance the class discussions, and to make comments based on your personal background. There will be frequent classroom activities and your classroom behavior will be counted toward an overall participation score. I will do my best to include and engage distance learning students in the discussions.

Improper behavior or computer/phone/tablet usage will not be tolerated in this course. Improper behavior, such as coming late, leaving early, sleeping in class, or inappropriate computer/phone/tablet usage will adversely affect your participation score. The same general principals apply to distance learning students.

ADA Compliance:

Any student with a disability that needs course or examination accommodations should request as soon as possible for such accommodations through the Disabled Student Services in the Dean of Students Office. Please do this as soon as possible and provide a copy of your approved accommodation form to me.

Re-Grade Policy:

If you believe an error has been made in grading your homework or exam, you may request a re-grade by doing the following: **Write a brief note to me explaining why you think there is an error and submit both the note and the entire assignment or exam to which it pertains.** All re-grade requests must occur within seven (7) calendar days of the day graded material is returned to the class. I reserve the right to re-grade the entire contents of any submitted assignment or exam.

ACADEMIC INTEGRITY

Student-teacher relationships are built on trust. For example, students must trust that teachers have made appropriate decisions about the structure and content of the courses they teach, and teachers must trust that the assignments that students turn in are their own. Acts that violate this trust undermine the educational process.

The Rensselaer Handbook of Student Rights and Responsibilities and the Graduate Student Supplement (For 6000 level and above courses) define various forms of Academic Dishonesty and you should make yourself familiar with these. In this class, all assignments that are turned in for a grade must represent the student's own work. In cases where help was received, or teamwork was allowed, a notation on the assignment should indicate your collaboration. Submission of any assignment that is in violation of this policy will result in (1) an academic (grade) penalty and (2) reporting to Lally's Associate Dean of Academic Affairs and either the Dean of Students (for Undergraduates) or the Dean of Graduate Education (for Graduate students).

In this course, the academic penalty for a first offense is a zero on the homework, lab, project, or exam. A second offense will result in failure of the course as noted in Lally's Three Strikes Policy.

If you have any questions concerning this policy before submitting an assignment or taking an exam, please ask for clarification.

ACADEMIC ACCOMMODATIONS

Rensselaer Polytechnic Institute strives to make all learning experiences as accessible as possible. If you anticipate or experience academic barriers based on a disability, please let me know immediately so that we can discuss your options.

To establish reasonable accommodations, please register with The Office of Disability Services for Students (<mailto:dss@rpi.edu>; 518-276-8197; 4226 Academy Hall). After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion."

COURSE CALENDAR¹

Date	NOTES	Topic	Suggested Readings (Berk & DeMarzo)
May 24		Introduction to the course.	N/A
May 27		Financial Statement Analysis (accounting review)	1-2
June 2	<u>Class on Wed., June 2</u>	Time Value of Money (1)	3-4

¹ The course calendar is subject to change at the instructor's discretion.

June 3		Time Value of Money (2) and In-class lab (TVM)	3-4
June 7		Interest Rates (1)	5
June 10		Interest Rates (2) and in-class lab (personal loans – mortgages, credit cards, student loans)	5
June 14		Valuing Bonds	6
June 17		Valuing Projects and Firms and in-class lab (NPV Rules)	7
June 21		Valuing Projects and Firms	7
June 24	EXAM 1 – No Class	Exam 1 – Take home exam.	N/A
June 28		Fundamentals of Capital Budgeting (1)	8
July 1		Fundamentals of Capital Budgeting (2) and in-class lab (DCF analysis)	8
July 5	NO CLASS	SEMESTER BREAK	
July 8	NO CLASS	SEMESTER BREAK	
July 12		Valuing Stocks (1)	9
July 15	VIRTUAL CLASS	Valuing Stocks (2) and in-class lab (equity valuation)	9
July 19		Risk and Return (1) – and in-class lab (market risk premium)	10-11
July 22		Optimal Portfolio Choice and the CAPM (1)	10-11
July 26		Optimal Portfolio Choice and the CAPM (2) and in-class lab (CAPM)	10-11
July 29		Estimating the Cost of Capital (2) and in-class lab (WACC)	12
August 2		Capital Structure (1)	14-15
August 5		Capital Structure (2) – Debt and Taxes and in-class lab	14-15
August 9	EXAM 2 – No Class	Exam 2 – Take home exam.	N/A
August 12	Project Presentations		N/A
August 16	Project Presentations		N/A
August 19	LAST DAY OF CLASSES	Final Project Deliverables Due	N/A

COVID-19 Syllabus Guidelines – Lally School of Management

Students taking Lally School of Management classes are required to abide by the **COVID-19 code of conduct** below. This code will apply to any class that meets fully or partially in an on-campus physical classroom for in-person instruction.

Violations: Refusal to comply with the COVID-19 code of conduct will be treated just as any classroom disruption, which will receive request for immediate compliance, failing which the student will be asked to leave the classroom. Any further noncompliance will result in the dismissal of the entire class. All Covid-19 related violations will be reported by the instructor to the Compliance Officer at Lally School, and the Dean of Students. A student found to be in violation of the code, or required repeated reminders for compliance, will be asked to participate in all classes remotely. This is to protect their health and safety as well as the health and safety of their classmates, instructor, and the university community.

Masks: All students must wear a mask in classrooms and all public places including anywhere inside Pittsburgh building. Masks will be provided to the student by the Institute.

Traffic Flow and Social Distancing: Students and faculty will respect the need for social distancing. They are required to follow the traffic flow arrows posted in all rooms and buildings, including bathrooms and common areas.

In-Class Seating: Students should sit in the appropriate designated seating in the classroom. Students are not allowed to move furniture or sit in seats not designated by the Institute.

Cleaning of Spaces: Students are encouraged to clean the surfaces of the chairs/tables/desks they occupy before they sit down and as they prepare to leave. Cleaning and sanitizing solutions will be provided the classroom.

Students who are ill, under quarantine for COVID-19, or suspect they are ill should not come to class. All faculty will make every reasonable effort to accommodate the student's absence and will communicate that accommodation directly to the student. Students who need to report an illness should contact the [Student Health Center](#) via [email](#) or call 518-276-6287. For student seen off campus, a student may request an excused absence via www.bit.ly/rpiabsence with an uploaded doctor's note that excuses them.