

**MANAGERIAL FINANCE**  
Course Syllabus

<b>Instructor:</b>	Dr. Sheng Yang	<b>Semester:</b>	Fall 2011
<b>Office:</b>	Beck Hall 153	<b>Course Number:</b>	E/M-370-001
<b>Office Hours:</b>	MTWF 11:30am-12:30pm or by appointment	<b>Class Hours:</b>	MTWF 9:00-9:50AM
<b>Phone:</b>	507.933.7014	<b>Location:</b>	Beck Hall 119
<b>E-mail:</b>	syang10@gustavus.edu	<b>Instruction Method:</b>	Lecture/Seminar

**CATALOG DESCRIPTION:**

A study of the financial structure and problems of financing business enterprises, including financing of working capital, cash flow, capital budgeting, and monetary and capital markets. Students will develop a business plan and analyze its feasibility. Problem-solving is a major part of the class and students will work in small groups on assigned problems.

**PREREQUISITE:** E/M-101, E/M-102, E/M-130, and completion of departmental mathematics requirement

**COURSE OBJECTIVES:**

The course objective is to familiarize students with the fundamental concepts and analytical tools of Financial Management used by professionals. The course provides the basic concepts and principles of financial management. Upon successful completion of the course, students should be able to:

1. understand the function of managerial finance;
2. perform ratio analysis of corporate financial statements;
3. understand the difference between net cash flow and net income and the relevance of cash flow in financial planning;
4. utilize the time value of money concepts;
5. understand the determinants of market interest rates and their term structures;
6. define and measure the risk and rates of return through the capital asset pricing model;
7. use certain stock and bond valuation models;
8. engage in certain capital budgeting procedures including payback, discounted payback, net present value, and internal rate of return;
9. identify and calculate component costs of capital and the weighted average cost of capital.

**REQUIRED TEXTBOOK AND MATERIAL:**

1. Fundamentals of Financial Management, 12th edition, 2010, by Brigham & Houston.
2. Texas Instruments BAII Plus.

Calculator

You must have a financial calculator to get through the course. Many of the exam problems involve complex arithmetic and financial calculations, and a financial calculator is necessary to solve them. TI-BAII Plus is the one recommended and will be used for instructional purposes. The calculator does everything needed in the course. I will use one in class and explain how to work various problems with it, so you can follow lectures most easily if you use a TI-BAII Plus. As you will soon see, the ability to use a financial calculator is critical to success in the class. Note students may not share calculators on exams.

**MOODLE CLASS WEBSITE:**

A class website on Moodle is created for posting messages, homework assignment, exam study guides, and additional study materials. Class announcement and due dates will be posted on Moodle. Group assignments are to be submitted electronically to the designated folders on Moodle. Discussion will also be utilized for assigned problem discussion and message exchange.

## **COURSE REQUIREMENTS:**

Final grade will be determined on the basis of examination grades, performance of assignments, and class attendance and participation. Students are expected to turn in assignments and take exams according to the schedule. No late assignment will be accepted, and no make-up exam will be given without an official proof being turned in to the instructor prior to the exams. In order to be excused from an exam, the student must contact me before the exam. Excuses will be granted only if the student is unable to take the exam because of serious illness or injury, or a significant personal or professional commitment. Excuses will not be granted for social activities such as ski trips, cruises, and trips to sporting events (unless you are participating). Cheating and plagiarism on any assignment will result in an "F" grade for the entire course.

### Attendance and Participation

Participation and attendance are important part of successful completion of this course. Some materials and assignments will be discussed and completed only in class. Attendance and participation will be considered when computing the course grade. I will reserve the right to lower your course grade by half a letter grade if you have 4 absences and a letter grade if you have 6 absences. Student who misses more than 8 classes will receive an F grade for the entire course.

### Quizzes (15%)

Quizzes will be administered upon completion of every chapter starting Chapter 3. Each quiz will consist of one to two questions selected from the assigned Problems in the end of each assigned chapter. If more than 6 quizzes are given, test results from the additional quiz will be applied as extra credit to the final average. Problems assigned for each chapter and answers to the assigned problems will be posted on Moodle prior to the beginning of the chapter.

### Group Assignments (15%)

In the beginning of the class, students should form a study group with no more than 3 members in the group. Each group is required to complete the Comprehensive/Spreadsheet Problem at the end of each assigned chapter upon completion of the chapter. Assignments are to be turned in to the specified folder on Moodle prior to the meeting time of the class on the due date. Due date for the assignment will be posted on Moodle. Additional working papers for the assignments can be submitted in class.

### Group Project & Presentation (10%)

Each student will be involved in a team to analyze a firm and present their finding to the class. The purpose of this assignment is to apply the financial concepts learned in this class to a specific firm. Each group will use PowerPoint to present their findings to the class. Some of the issues to be covered for each project include: financial statement analysis, estimating the firm's cost of capital, estimation and interpretation of cash flows, optimal capital structure, etc.

### Term Examinations (60%)

Three term exams and a non-cumulated final exam will be administered throughout the term. Each exam will consist of multiple-choice and problem-solving questions. Exam contents are taken from the reading and hands-on material covered in the course required text. No books and no notebooks will be allowed in the examinations. For the exams you will be allowed to bring in a financial calculator and a 3 by 5 note card.

## **GRADING PROCEDURE:**

### Percentage Allocation

Quizzes (@25/2.5%)	6	150/15%
Group Assignments (@15/1.5%)	10	150/15%
Group Project & Presentation	1	100/10%
Term Examinations (@150/15%)	3	450/45%
Final Examination	1	150/15%
Total		1,000/100%

### Grading Scale

A = 93 - 100%	A- = 90 - 92.9%	
B+ = 87 - 89.9%	B = 83 - 86.9%	B- = 80 - 82.9%
C+ = 77 - 79.9%	C = 73 - 76.9%	C- = 70 - 72.9%
D+ = 67 - 69.9%	D = 63 - 66.9%	D- = 60 - 62.9%
F = 59% & Below		

**COURSE CONTENT/SCHEDULE:** (subject to change depending on the actual progress in class.)

<u>Week</u>	<u>Date</u>	<u>Chapter</u>	<u>Subject</u>
1	9/6-9/9	1	Introduction An Overview of Financial Management
2	9/12-9/16	2	Financial Markets and Institutions
3	9/19-9/23	3	Financial Statements, Cash Flow, and Taxes
4	9/26-9/30	4	Analysis of Financial Statements
5	10/3-10/7		<b>Exam 1 (Chapters 1-4)</b>
6	10/10-10/14	5	Time Value of Money
7	10/17-10/21	6	Interest Rates
8	10/26-10/28	7	Bonds and their Valuation
9	10/31-11/4		<b>Exam 2 (Chapters 5-7)</b>
10	11/7-11/11	8	Risk and Rates of Return
11	11/14-11/18	9	Stocks and Their Valuation
12	11/21-11/22		<b>Exam 3 (Chapters 8-9)</b>
13	11/28-12/2	10	The Cost of Capital
14	12/5-12/9	11	The Basics of Capital Budgeting
15	12/12-12/14	12	Cash Flow Estimation and Risk Analysis
16	12/19 (1-3 PM)		<b>Final Exam (Chapters 10-12)</b>

**ACADEMIC HONESTY AND DISCIPLINE:**

College students are expected to conduct themselves according to the highest standards of academic honesty. Academic misconduct for which a student is subject to penalty includes all forms of cheating, such as illicit possession of examinations or examination materials, forgery or plagiarism. Disciplinary action will be taken for academic misconduct.

**CLASS CONDUCT:**

Gustavus Adolphus College is an institution of academic excellence. Accordingly, please note that you should extend a certain level of respect and courtesy toward your fellow students and instructor. The discussion in class can be intense, but it must be appropriate. Comments that are demeaning, hurtful, or offensive are unacceptable and will be met with strong disapproval and decisive action in accordance with the GAC Student Code of Conduct.

**DISABILITY SERVICES:**

“Gustavus Adolphus College is committed to ensuring the full participation of all students in its programs. If you have a documented disability (or you think you may have a disability of any nature) and, as a result, need reasonable academic accommodation to participate in class, take tests or benefit from the College’s services, then you should speak with the Disability Services Coordinator, for a confidential discussion of your needs and appropriate plans. Course requirements cannot be waived, but reasonable accommodations may be provided based on disability documentation and course outcomes. Accommodations cannot be made retroactively; therefore, to maximize your academic success at Gustavus, please contact Disability Services as early as possible. Disability Services (<https://gustavus.edu/advising/disability/>) is located in the Advising and Counseling Center.”

Disability Services Coordinator Laurie Bickett ([lbickett@gustavus.edu](mailto:lbickett@gustavus.edu) or x6286) can provide further information.

**DISCLAIMER:**

Information contained in this syllabus was, to the best knowledge of the instructor, considered correct and complete when distributed for use at the beginning of the semester. However, this syllabus should not be considered a contract between Gustavus Adolphus College and any student. The instructor reserves the right, acting within the policies and procedures of GAC, to make changes in course content or instructional technique without notices or obligation.