

# **FIN 6301-010**

## **Financial Management**

### **Fall 2018**

#### **Course Description/Overview**

---

##### **Course Description**

This course discusses corporate financial management decision-making techniques emphasized in areas of planning the financial structure, management of assets, capital budgeting, obtaining capital, and management of income.

##### **Prerequisite Knowledge**

Prerequisites: Finance 3361

##### **Course Technology**

This is an online course. Use of blackboard is required. It is essential that students familiarize themselves with the use of blackboard.

Students must have access to a reliable computer that connects to the Internet. The course materials are only accessible online by logging in to <http://blackboard.angelo.edu> . In addition to a competent level of computer and Internet literacy and capability, certain minimum technical requirements must be met to enable a successful learning experience in blackboard. Please review the important technical requirements and Web browser configuration information on the blackboard home page. Blackboard support may be contacted by calling (325) 486-6263 or by email at [elarning@angelo.edu](mailto:elarning@angelo.edu).

### **Class Meeting Times**

**This is** a hybrid course and will meet 50% of the time in the classroom (every other Monday at 6:00 p.m. in RAS 103) and 50% online.

### **Technical Support**

The Technology Service Center (TSC) may be contacted by calling (325) 942-2911 or 1-866-942-2911 or by email at [helpdesk@angelo.edu](mailto:helpdesk@angelo.edu).

### **Faculty/Instructor Information**

---

**Name:** Biqing Huang, Ph.D.

**Title:** Associate Professor of Finance

**Office:** RAS 249

**Phone:** (325) 486-6447

**E-Mail:** [biqing.huang@angelo.edu](mailto:biqing.huang@angelo.edu)

**Office Hours:** Monday & Wednesday - 2:00pm-3:00pm, 4:15pm-4:45pm.  
Tuesday - 3:00pm-4:00pm.

**You are welcome to send emails to, or call the instructor (or leave a voice mail) if you have any questions.**

## **Course Objectives**

---

**Course Description:** The course is designed to develop the financial management concepts, describe the corporations and their operating environment. The students will learn to understand how corporations make decisions about investments and financing, and how they can make the policies of working capital. The students will gain an understanding of the responsibilities of the financial manager, and the critical relationship between the firm and the financial markets.

### **Student Learning Goals:**

Upon the completion of this course, students will be able to:

1. Students will score at or above the national median on the graduate MFT Test. This is assessed through MFT test.
2. Students will demonstrate the ability to develop, interpret and apply research findings that relate to business and economic problems. This is assessed through take-home assignments and quizzes.
3. Students will demonstrate the ability to apply advanced knowledge skills and values to develop integrative solutions to management problems. This is assessed through exams.
4. Students will be required to demonstrate written communication skills appropriate to business administration. This is assessed through take-home assignments, quizzes, and exams.
5. Students will demonstrate **global perspectives** appropriate to business administration. Please see below for the assessment.

### **Assessment of Student Learning Goal 5:**

Per the dean of the college, you are required to complete two assessments on Student Learning **Goals 5** in this course: **Demonstrate knowledge of the global nature of business**

## **Course Textbook and Required Readings**

---

### **Required Text:**

Title: Financial Management: Theory and practice (w/out Access Code)  
Author: Brigham and Ehrhardt  
ISBN: 978-1305632295  
Copyright Year: 2016  
Edition: 15th edition  
Publisher: Cengage South-Western

No access code is needed.

### **Recommended Readings:**

The Wall street Journal, Financial Times, The Economist

Other readings are assigned in a timely manner as needed and are provided to you as PDF, MS Word format, or a link to an online resource will be provided.

### **Required Calculator: Hewlett-Packard 10B-II, or Hewlett-Packard 10B-II Plus**

The Hewlett-Packard 10B-II (HP 10B-II), or Hewlett-Packard 10-BII (HP 10B-II Plus) calculator is strongly recommended. All examples shown on lecture notes will use this calculator. If you choose to use another, it is your responsibility to learn to use it.

## **Course Policies:**

### **1. Class Participation:**

Students are required to log into their course via blackboard on a **weekly basis**. Students are expected to spend six to ten hours per week on this course. Your weekly logging activities will be considered as part of your grade (Class Room Citizenship) as explained later in “Grading Policies”.

## 2. Communication with Your Professor , Academic Coach, and Fellow Students:

Communications about your course will be in the format of ASU email, announcements on blackboard, and discussion boards. I strongly suggest that you check blackboard and your ASU email at least once for every two days. I will make announcements on blackboard when there are any updates of the course (new materials, new HWs, quizzes, exams, office hours cancelled, and etc).

I check my ASU email very often during Monday through Friday, and respond in 24 hours. I also check emails during weekend or holidays. Email is the preferred way of communication. You may also communicate with me by phone or leave a voicemail.

### **The best way to reach me is via email.**

Besides emails, you can participate in the course via the blackboard discussion board. You can find the discussion board in the tab of “Collaboration”). The board allows you to communicate with your fellow students and with me. This forum is monitored by your professor.

This course does not require synchronous communication.

### **Email manners:**

Please include subject, titles or name of the person you are writing to, content, and your names. Usually the instructor will respond within a day. The instructor **will not respond** to emails that are not written in good manners.

## 3. Policy on Server Unavailability or Other Technical Difficulties

Angelo State University is committed to providing a reliable online course delivery system to all users. However, in the event of any unexpected blackboard server outage or any ASU or MyEconLab technical difficulty which prevents students from completing a time sensitive activity, I will extend the due date and provide an appropriate accommodation based on the situation. The accommodations will be made as soon as the ASU IT Department or MyEconLab confirms that there was such a problem. Students should report any problems to the professor through their ASU email account and also email [www.elearning@angelo.edu](mailto:www.elearning@angelo.edu).

Note that this does not apply to individual technical problems that you may encounter on your personal computer. It is the responsibility of the student to work with a reliable computer and Internet connection and plan ahead.

## **Policies of student submissions:**

---

Students will need to submit their HWs on blackboard using the test format. The students will need to hit the “submit” button at the end in order to submit successfully.

## **Exam Policy:**

---

The tests during the term may consist of multiple-choice questions, short-answer questions, essays, and problems, as appropriate for the material. SCANTRON answer forms will be provided at no cost to students during the term for the multiple-choice questions. The students will need to bring #2 pencil, an eraser, and a financial calculator to each exam. The tests during the term will generally involve about 20-25 questions and they will sample about evenly from both the general concepts and the details presented in the text and in class. The final exam may be comprehensive and will consist of 40 questions covering all course materials.

Feedback will be provided for each test, typically on the first class day following each exam. I will go over the test with the class. However, you are welcome to come by at any point to review your test in more detail if you wish.

### **Exam Make-up Policy**

Please keep in mind that being prepared and taking the tests during the allocated times is your responsibility. I will announce the date of the exams at least two weeks ahead. Missing a scheduled test without approval will result in a zero for that test.

If you cannot be present at an exam, you must discuss your situation with the instructor before the scheduled exam date to determine if a make-up will be permitted.

**Make-up exam might be different and more difficult.**

## Grading Policies

---

**Grades:** Grades may consist of exams, assignments, and classroom citizenships. Grades feedback will be provided in the grade center via blackboard within one week after the deadlines. Course grades will be based on a weighted composite of the following (Please be aware that the instructor **reserves the right to change the weights** of each grading component):

<b>Homework</b> The instructor requires the students to submit HWs during the semester. Each HW is designed to accomplish course learning objectives.	<b>50 points</b>
<b>Exam I</b> During <b>week 3</b> , the students will be required to take this exam. The questions will cover Chapter 1, 2, 3, 4, 5, 6, and 7.	<b>60 points</b>
<b>Exam II</b> During <b>week 5</b> , the students will be required to take this exam. The questions will cover Chapter 8,9,10, and 14.	<b>60 points</b>
<b>Final Exam</b> During the <b>final week</b> , the students will be required to take this exam. The questions will cover Chapter 15, 17, 18, 19, 20, and 23.	<b>90 points</b>
<b>Class Citizenship</b> Including in class attendance (10 points), weekly online logging activities (5 points), and a self-introduction in blackboard (5 points).	<b>20 points</b>
<b>Two Project Presentations (15 points each)</b>	<b>30 points</b>
<b>Total</b>	<b>310 Points</b>
<b>Extra Bonus</b> The instructor might give out extra bonus points.	<b>20 points</b>

Your grade will be assigned to the following achievements. The instructor reserves the right to change the cutoffs presented below.

<u>Letter Grade</u>	<u>Cumulative %</u>
A	90% and above (equal to 270 to 300 points)
B	80% - 89.99% (equal to 240 to 269 points)
C	70% - 79.99% (equal to 210 to 239 points)
D	60% - 69.99% (equal to 180 to 209 points)
F	Below 60% (below 180 points)

## **Course Policies**

---

### **Academic Honesty and Integrity**

Angelo State University expects its students to maintain complete honesty and integrity in their academic pursuits. Students are responsible for understanding and complying with the university Academic Honor Code ([www.angelo.edu/content/files/17358-university-honor-code](http://www.angelo.edu/content/files/17358-university-honor-code)) and the [ASU Student Handbook](http://www.angelo.edu/content/files/17187-2014-15-student-handbook)(<http://www.angelo.edu/content/files/17187-2014-15-student-handbook>).

It is the professor's intention to be as fair and impartial as is humanly possible. Therefore, all students will be asked to adhere to the same set of guidelines and rules UNLESS there are disabilities or documented extenuating circumstances that have been discussed with the professor and the Student Life Office. Please make sure you inform the professor as soon as any situation arises. Do NOT wait until the problem is compounded by poor class performance, poor attendance, etc.

Academic integrity is expected. This includes, but is not limited to, any form of cheating, plagiarism, unauthorized sharing of work, or unauthorized possession of course materials. The professor assumes that all students can be trusted. Please do not violate this trust. Violation of academic integrity will result in a failing grade for the course.



**Code of Ethics**

Students, faculty, administrators and professional staff of the College of Business should always:

- Be forthright and truthful in dealings with all stakeholders
- Take responsibility for one's actions and decisions
- Serve as an example of ethical decision-making and behavior to others
- Admit errors when they occur, without trying to conceal them
- Respect the basic dignity of others by treating them as one would wish to be treated

**Courtesy and Respect**

Courtesy and Respect are essential ingredients to this course. We respect each other's opinions and respect their point of view at all times while in our class sessions. The use of profanity & harassment of any form is strictly prohibited (Zero Tolerance), as are those remarks concerning one's ethnicity, life style, race (ethnicity), religion, etc., violations of these rules will result in immediate dismissal from the course.

**Accommodations for Disability**

As stated in the Angelo State University Operating Policy and Procedure (OP 10.15 Providing Accommodations for Students with Disabilities), the Student Life Office is the designated campus department charged with the responsibility of reviewing and authorizing requests for reasonable accommodations based on a disability, and it is the student's responsibility to initiate such a request by contacting the Student Life Office at (325) 942-2191 or (325) 942-2126 (TDD/FAX) or by e-mail at [Student.Life@angelo.edu](mailto:Student.Life@angelo.edu) to begin the process. The Student Life Office will establish the particular documentation requirements necessary for the various types of disabilities.

**Student absence for religious holidays**

As stated in the Angelo State University Operating Policy and Procedure (OP 10.19 Student Absence for Observance of Religious Holy Day), a student who intends to observe a religious holy day should make that intention known in writing to the instructor prior to the absence. A student who is absent from classes for the observance of a religious holy day shall be allowed to take an examination or complete an assignment scheduled for that day within a reasonable time after the absence.

**Course Drop**

To view information about how to drop this course or to calculate important dates relevant to dropping this course, you can visit

[http://www.angelo.edu/services/registrars\\_office/course\\_drop\\_provisions.php](http://www.angelo.edu/services/registrars_office/course_drop_provisions.php)

**Incomplete as a Course grade**

As stated in the Angelo State University Operating Policy and Procedure (OP 10.11 Grading Procedures), the grade of “I” is given when the student is unable to complete the course because of illness or personal misfortune. An “I” that is not removed before the end of the next long semester automatically becomes an “F”. A graduate student will be allowed one year to remove a grade of “I” before it automatically becomes an “F”. To graduate from ASU, a student must complete all “I”’s.

**Grade Appeal Process**

As stated in the Angelo State University Operating Policy and Procedure (OP 10.03 Student Grade Grievances), a student who believes that he or she has not been held to appropriate academic standards as outlined in the class syllabus, equitable evaluation procedures, or appropriate grading, may appeal the final grade given in the course. The burden of proof is upon the student to demonstrate the appropriateness of the appeal. A student with a complaint about a grade is encouraged to first discuss the matter with the instructor. For complete details, including the responsibilities of the parties involved in the process and the number of days allowed for completing the steps in the process, see Operating Procedure 10.03 at:

<http://www.angelo.edu/content/files/14196-op-1003-grade-grievance>.

**Course Revision:** Any revisions to this syllabus will be announced in class and supercede this syllabus. Students are responsible for being aware of these changes.

FIN 6301 supports the MBA Degree Program Goals.

# Tentative class schedules

*\*Please note that except the final, the course and exam schedules listed below represent the best information available at the time of course registration. They are **tentative** and may change at any time. Adjustments will be made if necessary **based on actual progress**. I will announce the dates of exams/quizzes/assignments at least one week in advance on blackboard.*

## Week 1, Aug 27-Aug 31, Chapter 1, 2, 3, and 4, Module 1: Class will meet.

Chapter	Topics
1	Overview of Financial Management and the Financial Environment
2	Financial Statements, Cash Flow, and Taxes
3	Analysis of Financial Statements

### ***Learning Objectives:***

1. Get to know the background of financial market and environment;
2. Use different financial statements to make analysis on companies.

**Readings:** Notes posted on blackboard, and the corresponding chapters on the textbook.

**Important Event:** You will do the Assessments Pre-test in class.

## Week 2, Sep 3-7, Chapter 4, Module 2

Chapter	Topics
4	Time Value of Money

### ***Learning Objectives:***

Be able to determine value of money through time using the tables, financial calculators, and excel.

**Readings:** Notes posted on blackboard, and the corresponding chapters on the textbook.

**Important Event:** HW 1 is due on Sep 15 by 11:59PM.  
Please read blackboard for detailed instructions.

**Week 3. Sep 10-14. Chapter 5. Module 3: Class will meet.**

Chapter	Topics
5	Bonds, Bond Valuation, and Interest Rates

***Learning Objectives:***

1. Understand what a bond is, and who issues bonds; the relationship between bond pricing and interest rate;
2. Know the key features of a bond, and how to calculate coupon rate, bond yield, and bond price.

**Readings:** Notes posted on blackboard, and the corresponding chapters on the textbook.

**Important Event: Project presentation I.**

*Please read blackboard for detailed instructions.*

**Week 4. Sep 17-21. Chapter 6. Module 4**

Chapter	Topics
6	Risk, Return, and the Capital Asset Pricing Model

***Learning Objectives:***

Understand and define different types of risk, risk-return tradeoff; how companies compensate for risk takers; and discuss the use of CAPM to determine asset price.

**Readings:** Notes posted on blackboard, and the corresponding chapters on the textbook.

**Week 5. Sep 24-28. Chapter 7. Module 5: Class will meet.**

Chapter	Topics
7	Valuation of Stock and Corporations

***Learning Objectives:***

Identify the important rights of a stock owner; know how to determine the value of a common stock and preferred stock, and the effects of changes in the market rate in stock price; explain stock market equilibrium and the conditions that must hold.

**Readings:** Notes posted on blackboard, and the corresponding chapters on the textbook.

**Important Event: HW 2 is due on Oct 1<sup>st</sup> by 11:59PM.**

*Please read blackboard for detailed instructions.*

**Week 6, October 1-5, Chapter 8, Module 6**Chapter  
8Topics  
Financial Options and Applications in Corporate Finance***Learning Objectives:***

Understand the differences between American option and European option, call option and put option. Also describe the differences between options and other derivatives. Understand the binomial approach, and put-call parity to price option.

**Readings:** Notes posted on blackboard, and the corresponding chapters on the textbook.

**Week 7, Oct 8-Oct 12, Module 7: Class will meet.*****Important Event: Exam I.****Please read blackboard for detailed instructions.***Week 8, Oct 15-Oct 19, Chapter 9, Module 8**Chapter  
9Topics  
The Cost of Capital***Learning Objectives:***

Understand how companies raise capital, capital rationing, and the capital budgeting process. Know how to calculate payback, NPV, IRR, and MIRR for proposed projects. Learn the measurement of risk, and deal with it in capital budgeting.

**Readings:** Notes posted on blackboard, and the corresponding chapters on the textbook.

**Week 9, Oct 22-Oct 26, Chapter 14, Module 9: Class will meet.**Chapter  
14Topics  
Distributions to Shareholders: Dividends and Repurchases***Learning Objectives:***

Know how a company distributes its free cash flows to shareholders, the methods and policies of distributions.

**Readings:** Notes posted on blackboard, and the corresponding chapters on the textbook.

**Week 10, Oct 29-Nov 2, Chapter 17, Module 10**Chapter  
17Topics  
Multinational Financial Management***Learning Objectives:***

Know what are Multinational Corporation, and the reasons why firms go international. Understand direct and indirect quotations, and how to calculate exchange rates. Explain spot and forward rates, and the relationship between the two. Briefly explain the concepts of interest rate and purchasing power parity.

***Readings:*** Notes posted on blackboard, and the corresponding chapters on the textbook.

**Week 11, Nov 5-Nov 9, Module 11: Class will meet.**

***Important Event: Assessments\_Pro-test, and project presentation II.***  
*Please read blackboard for detailed instructions.*

**Week 12, Nov 12-Nov 16, Chapter 10, Module 12**Chapter  
10Topics  
The Basics of Capital Budgeting: Evaluating Cash Flows***Learning Objectives:***

Know the relevant cash flows of a project, principals underlie the estimation of cash flows, and the types of cash flows to be considered when evaluating a proposed future project.

**Week 13, Nov 19-Nov 23, Exam II, Module 13: Class will meet.**

***Important Event: Exam II.***  
*Please read blackboard for detailed instructions.*

**Week 14, Nov 26-Nov 30, Chapter 15&19, Module 14**

Chapter	Topics
15	Capital Structure Decisions
19	Lease Financing

***Learning Objectives:***

Chapter 15: Differentiate different capital structure theories, especially the effect of no taxes, the effect of corporate and personal taxes, trade-off, asymmetric information, and pecking order theories. Explain briefly what is target capital structure and optimal capital structure. Define financial leverage and explain its effect on ROE and EPS.

Chapter 19: Describe the two primary types of leases, and explain how lease financing affects financial statements and taxes.

***Readings:*** Notes posted on blackboard, and the corresponding chapters on the textbook.

***Important Event: HW 3 is due on Dec 6 by 11:59PM.***

*Please read blackboard for detailed instructions.*

**Week 15, Dec 3-Dec 7, Chapter 18, 20, & 23, Module 15: Class will meet.**

Chapter	Topics
18	Public and Private Financing: Initial Public Offerings, Investment Banking, and Financial Restructuring

***Learning Objectives:***

Understand Initial Public Offerings (IPOs) and Seasoned Offering. Explain the investment banking and regulation. Know the maturity structure of debt, refunding operations, and the risk structure of debt.

Chapter	Topics
20	Hybrid Financing: Preferred Stock, Warrants, and Convertibles

***Learning Objectives:***

Know the basic rights associated with ownership. Explain how preferred shares differ from common shares. Understand how combining warrants with debt, or issuing convertible bonds can provide firms with attractive financing options.

Chapter	Topics
23	Enterprise Risk Management

***Learning Objectives:***

Define different types of derivatives, and the important characteristic of derivative securities. Know how to use derivatives to manage and reduce risk.

***Readings:*** Notes posted on blackboard, and the corresponding chapters on the textbook.

**Week 16, FINAL EXAM, Module 16**

***Important Event: Final exam will be on Dec 10.***

*Please read blackboard for detailed instructions.*