Arizona State University
W.P. Carey School of Business
FIN 361 - Advanced Managerial Finance
Spring 2016, Prof. Jessie Jiaxu Wang

Course Syllabus

Instructor:	Prof. Jessie Jiaxu Wang
Office:	BAC 526
Email:	Jessie.Jiaxu.Wang@asu.edu
Class Times:	12115: Mondays and Wednesdays, 1:30 - 2:45pm, BAC 311
	12113: Mondays and Wednesdays, 3:00 - 4:15pm, BAC 311
Office Hours:	Wednesdays 12:30 - 1:30pm, 4:15 - 5:15pm at BAC 526 or by appointment

Course Description and Objectives

FIN 361 covers the theory and methods of managerial finance. Lectures and reading will provide an introduction to net present value techniques, valuation of fixed income and equity securities, efficient market theory, portfolio management, capital asset pricing model (CAPM) and its application, capital structure, capital budgeting using weighted-average cost of capital and adjusted present value methods, and derivatives.

By the end of this course, you will develop an advanced perspective on how firms make investment, financing, and management decisions. You will understand the fundamentals of stocks and bonds valuation, based on important principles such as the time value of money, the Law of One Price, optimal portfolio choice theory, the principle of diversification. You will also be able to evaluate investment projects and corporate strategies, which is the basic skill for anyone working as an investment banking analyst.

Course Prerequisites

FIN 302 with C or better.

Course Materials

Textbook

Brealey, R., S. Myers and F. Allen, *Principles of Corporate Finance*, 11th edition. McGraw-Hill/Irwin ISBN 9780077502515. Order or international editions (in English) of the textbook can be used, but you will need to figure out the relevant chapters to read.

Lecture Notes

Lecture slides will be posted on Blackboard. The slides are not a complete record of what we will discuss in class. They serve mainly as an outline for developing the concepts in each lecture. I make them available so that you can concentrate on listening, thinking, and asking questions during class. Paper copies of the lecture notes will not be made available in class. If you want a paper copy of the notes, it is your responsibility to print them in advance.

Course Webpage

You will find lecture slides, problem sets, solutions, practice problem sets, links to the articles needed for group assignments, and supplementary readings on the course web page on the Blackboard system. All course announcements will be posted on Blackboard: please make sure to check the Blackboard regularly. Occasionally, I will also send emails to the entire class regarding logistical matters, such as information about when an assignment is due, a change of arrangement, or to point out news relevant to the course. Please check your email before coming to class.

Communicating with Me

The best way to get in touch with me is by email: Jessie.Jiaxu.Wang@asu.edu. You can also come to my office hours, or put a note in my mailbox. When you have a question, please consult this syllabus or the course Blackboard page first. In most cases, you will find an answer there. If not, then contact me.

Teaching Assistant

The teaching assistant for this course is Loris Llazani. Loris will hold weekly office hours to answer questions and discuss class materials. He will also be available to answer some of the questions via Email.

Loris Llazani, LLLAZANI@ASU.EDU

Office hours: Monday 10 - 12pm, BAC 554

Grading Policy

Your grade is the highest among the following options,

	(A)	(B)	(C)
Individual Problem Sets (3)	15%	15%	15%
Class Participation and Quizzes (x)	5%	5%	5%
Group Assignments (2)	20%	15%	10%
Midterms (2)	30%	20%	10%
Final Exam	30%	45%	60%

Individual Problem Sets

The problem sets are designed to help you practice applying the concepts covered in class in the form in which you will encounter in the exams. Part of the solutions will be posted on Blackboard after the due date; we will discuss the rest in review classes prior to the exams.

Problem sets can be discussed among students but have to be written and submitted individually. You should (1) submit a hard copy (no electronic submissions); (2) all pages should be stapled together; (3) write your student number and you full name in the upper right corner; (4) submit at the beginning of class on the due date. **Late submissions will not be accepted**, unless you are sick and have a doctor's note in writing. Under any circumstances, assignments received after the solutions are posted will receive zero points.

If you believe your problem set has been incorrectly graded, please take it to me, and provide a written explanation of what you think is wrong, within one week of it being returned.

Class Participation and Quizzes

Attending lectures, taking notes, and asking questions is an excellent way to learn the concepts and principles presented in this course. Please be on time for the class, sit as close to the front as possible, and do not use cell-phones or laptops. Class participation is greatly encouraged, e,g. asking and answering questions, actively contributing to discussions, and completing in class quizzes. There will be x quizzes in total. The purpose of the quizzes is to check your understanding of the material. You will have 10 minutes to answer a quiz. If you do the practice problems, the quizzes should be straightforward. Class participation serve as a vehicle for determining the grade of a student whose average falls near a boundary of a grade cutoff.

Group Assignments

Students are allowed to do the two assignments in groups of up to three students. Each group should submit a single hard copy of their work at the beginning of class with the names of all contributing members listed. Groups can change from assignment to assignment. I will not be involved in any group assigning issues. **Late assignments will not be accepted.**

Exams

There will be two midterm exams and one final exam. Midterm I is scheduled in class; midterm II is scheduled *** in class. The final exam will be held during the University's testing period; it is a comprehensive exam that will cover all the materials in the course. **No make-up exams will be given.** All exams are closed book and closed notes. You are allowed to bring a two-sided A4 sheet containing formulas or other notes for your exclusive use. You will need a calculator that can compute natural logarithms and raise numbers to arbitrary powers. Laptops, tablets, smart phones, etc. are not permitted.

The exam problems in general will follow the same format as the practice problems and problem sets. The exams will be problem-oriented, with some short essay questions asking for analysis of pol-icy issues or interpretation of empirical evidence.

Course Policies

Academic Integrity

Expectations for this course are built on a shared commitment to the principles expressed in the W. P. Carey School of Business Undergraduate Student Honor Code, available at https://my.wpcarey.asu.edu/academic-integrity/upload/Undergraduate-Honor-Code.pdf.

The W. P. Carey School takes academic integrity very seriously. Therefore, unless otherwise specified, it is imperative that you do your own work. Any suspected violations of academic integrity will be taken seriously and result in the following sanctions: (1) A minimum of zero on the assignment, or (2) A reduced grade in the course, or (3) A failure in the course, or (4) An XE which denotes failure due to academic dishonesty on the transcript, or (5) Removal from the W. P. Carey School of Business.

Threatening Behavior

The university takes threatening behavior very seriously, and these situations will be handled in accordance with the Student Services Manual (SSM 104-02).

Religious Accommodations

Accommodations will be made for students' observation of religious holidays. The University publishes a calendar of religious holidays, where two asterisks denote an observance for which work is not allowed. For these holidays, students will not be penalized in any way for missing class or assignment. Any such accommodation should be requested in writing as soon as possible (and at least one week in advance).

University-sanctioned Activities

Accommodations will be made for students who miss class related to university-sanctioned activities according to ACD 304-02. Any such accommodation should be requested in writing as soon as possible (and at least one week in advance).

Students with Disabilities

Accommodations will be made for students with disabilities in line with the recommendations and policies of the Disability Resource Center (DRC). Any such accommodation requires that eligibility be established by the DRC (which may require appropriate documentation), and should be discussed with the instructor as soon as possible.

Copyright

Course content, including lectures, are copyrighted material and students may not sell notes taken during the conduct of the course (see ACD 304-06). Except with specific permission, recording lectures is prohibited.

Course Outline

I reserve the right to alter the course schedule details as the course proceeds.

Week	Lecture	Date	Topic	BMA Ch	Due
Introduction to Finance					
1	Lecture 1	01/11 M	Finance and Corporations: Overview	Ch 1,15	
	Lecture 2	01/13 W	Net Present Value 1	Ch 2	
2		01/18 M	**MLK Day**		
	Lecture 3	01/20 W	Net Present Value 2	Ch 2	
Securities and Valuation					
3	Lecture 4	01/25 M	Net Present Value 3: rates	Ch 2	
	Lecture 5	01/27 W	Fixed Income Valuation 1	Ch 3	
4	Lecture 6	02/01 M	Fixed Income Valuation 2	Ch 3, 14	Quiz 1
	Lecture 7	02/03 W	Equity Valuation 1	Ch 4	
5	Lecture 8	02/08 M	Equity Valuation 2	Ch 4, 14	PS 1
	Lecture 9	02/10 W	Review		Quiz 2
6	Lecture 10	02/15 M	**Midterm 1**		Mid1
Risk, Portfolio Choice and Diversification					
	Lecture 11	02/17 W	Efficient Market Hypothesis	Ch 13	
7	Lecture 12	02/22 M	Portfolio Choice and Diversification 1	Ch 7, 8	PPS 3
	Lecture 13	02/24 W	Portfolio Choice and Diversification 2	Ch 8	
CAPM, Capital Structure and Capital Budgeting					
8	Lecture 14	02/29 M	CAPM 1	Ch 8	PPS 4
	Lecture 15	03/02 W	Discussion on Case 1	Quiz 3	Case 1
9		03/07 W	**Spring Break**		
		03/09 W	**Spring Break**		
10	Lecture 16	03/14 M	CAPM 2	Ch 8, 9	
	Lecture 17	03/16 W	Capital Structure and WACC 1	Ch 17, 18	
11	Lecture 18	03/21 M	Capital Structure and WACC 2	Ch 17, 18	PS 2
	Lecture 19	03/23 W	Review		PPS 5
12	Lecture 20	03/28 M	**Midterm 2**		Mid2
	Lecture 21	03/30 W	Dividend Policy	Ch 16	
13	Lecture 22	04/04 M	Capital Budgeting 1	Ch 5, 6	
	Lecture 23	04/06 W	Capital Budgeting 2	Ch 5, 6	
14	Lecture 24	04/11 M	Capital Budgeting 3	Ch 5, 6	
	Lecture 25	04/13 W	Discussion on Case 2		Case 2
Derivatives and Review Sessions					
15	Lecture 26	04/18 M	Options 1	Ch 20, 21	
	Lecture 27	04/20 W	Options 2	Ch 20, 21	
16	Lecture 28	04/25 M	Final Review Session		PS 3
	Lecture 29	04/27 W	Final Review Session		PPS 6

01/17: Last Day to Register or Drop/Add Without College Approval
04/03: Course Withdrawal Deadline

Final exam arrangement, Location: BAC 311

Section: 12113, 12:10 PM - 2:00 PM, 5/4/2016 (W)

Section: 12115 12:10 PM - 2:00 PM, 5/2/2016 (M)