

Northeastern University
FINA 2201 Financial Management – Fall 2022
Section 02-10412
Mondays, Wednesdays, and Thursdays 9:15 am -10:20 am

Instructor:	John (Jianqiu) Bai, Ph.D.
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Office:	409A Hayden Hall
Office Hour:	Mondays, Wednesdays (10:20 am – 11:20 am)
Designated TA:	Vishwa Sai Prasad Kokkula

Course Prerequisites:

ACCT 1201, ACCT 1202, or ACCT 1209

Course Descriptions:

Designed to develop the financial skills and logical thought processes necessary to understand and discuss financial policy decisions in a global economy. Specific objectives include developing an understanding of the time value of money; using financial statements in decision making; and understanding the nature of financial markets, the cost of capital, valuation of stocks and bonds, management of short-term assets, short-term and long-term financing, capital markets, and multinational financial management. Addresses the impact of legal, social, technological, and ethical considerations on efficient economic outcomes. Requires a financial calculator and provides an opportunity to develop computer spreadsheet skills.

Learning Objectives:

1. Analyze the financial performance of a company.
2. Calculate the cost of capital using the Capital Asset Pricing Model and other methodologies.
3. Apply discounted cash flow methodology to make capital budgeting decisions and to value financial assets such as stocks and bonds.
4. Use spreadsheets to help solve business problems.
5. Describe how managers determine short-term and long-term financing needs of a company.
6. Describe the difference between debt and equity in a company's capital structure.

Course Materials:

Textbook: Stephen A. Ross, Randolph W. Westerfield and Bradford D. Jordan. ***Fundamentals of Corporate Finance***. 13th Edition, McGraw-Hill/Irwin, 2021. Available in the bookstore (includes Connect access code).

CONNECT: Connect electronic homework manager. Purchasing Connect online is the best value for your required course materials – typically half the price of the printed textbook bundle.

To get started, click the first Connect assignment in your Canvas course (under Assignments).

You'll be prompted to either login with an existing Connect account username and password, or to create a new account. Then enter your access code, purchase access online or begin your 14-day Courtesy Access period. Once you've completed your selection, you'll arrive at the start of your first Connect assignment.

Connect Registration for this Course:

<https://connect.mheducation.com/class/j-bai-fall-2022-10412>

Learning through Research (LTR): One of the features of this class is that I try to include real-world examples and academic research findings whenever I see appropriate. These will comprise a crucial part of the learning process and help bridge the textbook materials with real-world findings.

Calculator: A financial calculator is required.

Course Website: My lecture notes will be posted at the course website:

<https://canvas.northeastern.edu/>, check this regularly.

Emails: Please check your emails regularly. If I need to notify you or remind you something, I will write to your student emails. If you prefer to use another email account, let me know ASAP by email.

Microsoft Excel: In the last few sessions of the course, we will explore how to do things in Excel.

COVID-19 Related Issues:

Students diagnosed with COVID-19 are encouraged to let the instructor know about the situation as soon as possible. With a medical diagnosis, students are allowed to ask for omission of certain homework and exams that are affected during the students' recovery/hospitalization period. The negative impact of COVID-19 infection goes beyond this class, for the sake of your family and your own health, please do follow public healthy advisory guidelines and take good care of yourselves.

Course Grades:

Exam I	20%
Exam II	20%
Comprehensive Final Exam	35%
Homework Assignments	20%
Class Participation	5%
Total	100

1. Final grades will be assigned according to this schedule **only**. No extra credit work may be done to improve your grade. There are no exceptions to this rule.
2. There will be two midterm exams, each worth 20% and a final exam, worth 35%. The exams will

be closed book and closed notes. A formula sheet will be provided to you. If you cannot make an exam, you must make alternative arrangements with me **at least 2 weeks** before the scheduled exam date. **The final exam is comprehensive and cumulative.**

3. CONNECT homework assignments will be posted throughout the semester. All homework assignments **MUST** be completed individually. There should be **NO** collaboration on the homework assignments. All assignments must be completed by the specified due date. There will be no extensions and **no makeup assignments**. Excel practice assignments will also be available for your own practice.
4. It is important that every student attend every class, arriving on time. Attendance will be taken at the start of every class, and anyone not present will be marked absent. If you come late or leave early the attendance will be marked as absent. Note that three or more absences, for any reason, except university required activities, will result in point reduction from your attendance score.

Participation

Most active of the class	5%
Often speaks	4%
Speaks occasionally	3%
Never says anything	0%

6. Class participation is expected. You should ask questions, suggest answers, and participate in class discussions. This interactive process is not only essential to learning, but also makes the class a more interesting experience. To receive full 5% credit you should actively participate in class. A good opportunity to contribute is during the discussion of current events before each class.
7. For undergraduate courses with the exception of honors sections, the College of Business Administration recommends the following guidelines for course GPAs: 1000/2000 level courses, 2.75-3.00; 3000 level courses, 3.00; 4000 or higher level courses, 3.00-3.33

Academic Honesty:

Northeastern University is committed to the principles of intellectual honesty and integrity. I expect that you will not copy the work of others, either for homework or in exams, collaborate on the assignments when group activity is not allowed, have others do work for you, copy old assignments or use unauthorized aids, beyond what is allowed on homework assignments and exams. Cheating will not be tolerated. Anyone caught cheating will receive an "F" for the assignment and potentially an "F" for the course. Additional penalties as prescribed by the University also may apply. If you have any doubts as to the parameters of academic honesty and integrity, please refer to the University's Academic Integrity Policy: <http://www.northeastern.edu/osccr/academicintegrity/>

My Expectations:

1. You should read the assigned chapters prior to coming to class.
2. You should expect to spend at least 8 hours per week studying for this course outside of class.
3. You are responsible for everything covered in class. Please understand at the outset that the syllabus might change over the course of the semester. If you miss a class, you should arrange to get notes, handouts, assignments, and changes in the syllabus, etc., from a fellow student.

Course Outline

(The dates listed below for the topics are only tentative. **The dates for the exams are fixed** so please

plan ahead of time.)

Final exam date: The date, time and location of the final exam is scheduled by the university and it is not set at the time of writing this syllabus. It is your responsibility to plan your schedule accordingly.

Tentative Schedule:

Week	Date	Topic	Readings/Coverage
1	9/7	Introduction to Corporate Finance	Chapter 1
1	9/8	Financial Statements, Taxes, and Cash Flow	Chapter 2
2	9/12	Financial Statements, Taxes, and Cash Flow	Chapter 2
2	9/14	Financial Statements, Taxes, and Cash Flow	Chapter 2
2	9/15	Working with Financial Statements	Chapter 3
3	9/19	Working with Financial Statements	Chapter 3
3	9/21	Working with Financial Statements	Chapter 3
3	9/22	Time Value of Money	Chapter 5
4	9/26	Time Value of Money	Chapter 5
4	9/28	Discounted Cash Flow Valuation	Chapter 6
4	9/29	Discounted Cash Flow Valuation	Chapter 6
5	10/3	Discounted Cash Flow Valuation	Chapter 6
5	10/5	Review for Exam I	
5	10/6	Exam I (Chapters 1 to 6)	
6	10/10	Indigenous Peoples Day, No Class	
6	10/12	Exam Discussion/Interest Rates and Bond Valuation	Chapter 7
6	10/13	Interest Rates and Bond Valuation	Chapter 7
7	10/17	Interest Rates and Bond Valuation	Chapter 7
7	10/19	Stock Valuation	Chapter 8
7	10/20	Stock Valuation	Chapter 8
8	10/24	Stock Valuation	Chapter 8
8	10/26	Stock Valuation	Chapter 8
8	10/27	Net Present Value and Other Investment Criteria	Chapter 9
9	10/31	Net Present Value and Other Investment Criteria	Chapter 9
9	11/2	Net Present Value and Other Investment Criteria	Chapter 9
9	11/3	Making Capital Investment Decisions	Chapter 10
10	11/7	Making Capital Investment Decisions	Chapter 10
10	11/9	Making Capital Investment Decisions	Chapter 10
10	11/10	Review for Exam II	
11	11/14	Exam II (Chapters 1 to 10)	
11	11/16	Return, Risk, and Security Market Line	Chapter 12/Chapter 13
11	11/17	Return, Risk, and Security Market Line	Chapter 12/Chapter 13
12	11/21	Return, Risk, and Security Market Line	Chapter 12/Chapter 13
12	11/23	Thanksgiving Break, No Class	
12	11/24	Thanksgiving Break, No Class	
13	11/28	Return, Risk, and Security Market Line	Chapter 12/Chapter 13

13	11/30	Cost of Capital	Chapter 14
13	12/1	Cost of Capital	Chapter 14
14	12/5	Doing things in Excel	
14	12/7	Review for Final Exam	

Final exam date TBD