FINANCIAL MANAGEMENT CONCEPTS

Course Description:
An intensive study for students with limited or no academic experience in finance. Helps to provide an understanding of the concepts of present value, funds flow analysis, cost of capital, capital budgeting, and valuation theories used in corporate finance. (This is a core course.)

Prerequisites: ACCT 5312, ECON 5311 and ORMS 5310, or equivalents.

Required Materials:
- Textbook: Fundamentals of Corporate Finance, 11th edition, by Stephen Ross; Randolph Westerfield; Bradford Jordan (there is an eTextbook option available), professor’s notes
- Internet Access for ConnectTM Finance, Blackboard 9.1
- ConnectTM Finance (for homeworks and quizzes)
- Financial Calculator (Texas Instrument’s BA II Plus only or any other financial calculator - no scientific calculators will be allowed)

Important Message: This course requires the use of exam-proctoring involving third party charges. Exam-proctoring charges $50.00 per exam. Students may be required to schedule exams at least 24 hours in advance or incur late scheduling charges. All costs for exams are the responsibility of the student. Students may also be responsible for providing webcams to be used in test proctoring.

Learning Objectives:
By the end of this course, the students should be able to:
- Construct/understand a company’s financial statements and financial ratios.
- Understand the concept of time value of money
- Differentiate the characteristics of stocks and bonds and estimate the prices of bonds and stocks
- Understand and employ the CAPM and SML
- Estimate risk and understand its relationship to returns
- Understand working capital management
Major Course Requirements:

One midterm tests and a final exam will be given. The final exam will be cumulative. Test materials will come from lecture notes, the text, assigned readings, homework, and class discussion. Test format is primarily multiple choice; questions will emphasize the understanding and application of concepts and topics covered. All tests are closed books, closed notes. Only a formula sheet will be allowed during examinations. To facilitate student mastery of financial concepts, homework problems and quizzes will be assigned following the discussion of each major topic area. All homework problems and quizzes will be taken online.

Grades will be assigned based on the following weights/points:

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
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<tbody>
<tr>
<td>One Midterm exam</td>
<td>250</td>
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<tr>
<td>Final Exam (Comprehensive)</td>
<td>400</td>
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<tr>
<td>Homework</td>
<td>100</td>
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<tr>
<td>Quizzes</td>
<td>100</td>
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<tr>
<td>Project</td>
<td>150</td>
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<tr>
<td><strong>Total Points</strong></td>
<td><strong>1,000</strong></td>
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Letter Grades Assignments (tentative)

If your points are
- at least 900  A
- 800 to 899  B
- 700 to 799  C
- 600 to 699  D
- below 600  F

Exams are closed books. Only a formula sheet is allowed. Collaboration is strictly prohibited. The use of any electronic device to search the internet during an exam is cheating. Exams will take place using Examity as a proctoring mechanism.

All assignments are to be turned in online (not through email) no later than the time posted on Blackboard/Connect prior to their deadline date unless otherwise instructed. Late assignments will not be graded. Further, a letter grade will be deducted from your final course grade for each late or missed assignment. All assignments must be completed independently. All work submitted (including spread sheets, forms and written work) must be your own work. Anything other than this is academic dishonesty and will be treated as such.

On several occasions during the course, we will set up a webex conference or I will call you and supply you with a problem to work. You must work it correctly while we are on the phone. Expect these calls to last up to 30 minutes. I will try to make them at a time convenient to you, but they may not be prearranged.

The material in this course is subject to being audited. Up to 50% of students may be asked to redo any portion of the class in a proctored environment. Generally the selected students will be notified within one day of the due date of the exam, homework or other assignment and will complete item in a controlled environment (which may employ the use of a webcam) within 72 hours. Should the grade be more than ten points lower than the original grade, no credit will be given for the work and the grade for the audited work will be replaced with the score of the comprehensive final exam, which will then be given in a proctored location. Should the final exam be audited, the lower grade will count in calculating the course grade.

You will need a subscription to Connect. Each chapter will have a homework assignment that you will be able to attempt an unlimited number of times until the deadline. You are allowed only one time to take each quiz which will also be timed.
Course Policies

**Attendance/Tardiness**
Experience has shown that regular webex attendance and communication with the professor is essential to the successful completion of this course.

**Late Work and Make-Up Exams**
No make-up exams will be administered. If you must miss an exam, notify me in advance and provide written documentation that the absence was an excused University activity, a severe illness, or a dire emergency. Otherwise a zero will be assigned for the exam. All assignments are to be turned in at the beginning of the class on their due date unless otherwise instructed.

**Academic Integrity/Plagiarism**
University students are expected to conduct themselves in accordance with 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, falsification, forgery, complicity or plagiarism. (Plagiarism is the presentation of the work of another as one’s own work.) In this class, academic misconduct or complicity in an act of academic misconduct on an assignment or test will result in a disciplinary action.

**Dropping a Class**
I hope that you never find it necessary to drop this or any other class. However, events can sometimes occur that make dropping a course necessary or wise. Please consult with me before you decide to drop to be sure it is the best thing to do. Should dropping the course be the best course of action, you must initiate the process to drop the course by going to the Student Services Center and filling out a course drop form. Just stopping attendance and participation WILL NOT automatically result in your being dropped from the class. Friday, November 20 will be the last day to drop a course with an automatic grade of “W”. (To be announced) will be the last day to withdraw from all Fall 2 short term courses with an automatic grade of “W”.

**Classroom/professional behavior**
Texas A&M University-Corpus Christi, as an academic community, requires that each individual respect the needs of others to study and learn in a peaceful atmosphere. Under Article III of the Student Code of Conduct, classroom behavior that interferes with either (a) the instructor’s ability to conduct the class or (b) the ability of other students to profit from the instructional program may be considered a breach of the peace and is subject to disciplinary sanction outlined in article VII of the Student Code of Conduct. Students engaging in unacceptable behavior may be instructed to leave the classroom. This prohibition applies to all instructional forums, including classrooms, electronic classrooms, labs, discussion groups, field trips, etc.
Grade Appeals
As stated in University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures, 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 University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures. These documents are accessible through the University Rules Web site at http://www.tamucc.edu/provost/university_rules/index.html. For assistance and/or guidance in the grade appeal process, students may contact the Dean’s office in the college in which the course is taught or the Office of the Provost.

Disabilities Accommodations
The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please call or visit Disability Services at (361) 825-5816 in Corpus Christi Hall 116. If you are a returning veteran and are experiencing cognitive and/or physical access issues in the classroom or on campus, please contact the Disability Services office for assistance at (361) 825-5816.

Statement of Academic Continuity
In the event of an unforeseen adverse event, such as a major hurricane and classes could not be held on the campus of Texas A&M University–Corpus Christi; this course would continue through the use of Blackboard and/or email. In addition, the syllabus and class activities may be modified to allow continuation of the course. Ideally, University facilities (i.e., emails, web sites, and Blackboard) will be operational within two days of the closing of the physical campus. However, students need to make certain that the course instructor has a primary and a secondary means of contacting each student.
Preliminary Class Schedule

2 Introduction, Financial Statements, Taxes, and Cash Flow
3 Working with Financial Statements
5 Introduction to Valuation: The Time Value of Money
6 Discounted Cash Flow Valuation
7 Interest Rates and Bond Valuation
8 Stock Valuation

Midterm (chapters 2-8)

9 Net Present Value and Other Investment Criteria
10 Making Capital Investment Decisions
12 Some Lessons from Capital Market History

13 Return, Risk and the Security Market Line
14 Cost of Capital

Final Exam (comprehensive, chapters 2-14)