FINA5320.001
Managerial Finance – Spring 2018

(Draft 12-12-17)

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Office Hours: By appointment. Official times will be posted during the first week of the semester. Times are subject to change. Drop-ins are welcome and encouraged. I will be glad to help as long as I am available.

Class: , Monday and Wednesday, 5:30 p.m. to 6:45 p.m.

Managerial Finance

Course Description
An expanded study of the theoretical framework of financial analytical principles including contemporary topics. Emphasis on the relevant theory and the application of theory to managerial problems. Applies concepts of corporate finance, accounting principles and quantitative analysis.

Course Prerequisites
FINA 5311 or equivalent

Recommended Materials
3. BA II Plus Financial Calculator REQUIRED (Only the BAIII Plus will be allowed for exams. I recommend the BAIII Plus PROFESSIONAL calculator)

Learning Objectives
1. Know the role and function of the financial sector participants including banks, investment banks, mutual funds, securities markets and corporations
2. Understand interest rates and monetary policy including the term structure of interest rates and resulting yield curve
3. Be able to perform security valuation using important valuation models and deriving the appropriate discount rates.
4. Understand time value of money concepts, WACC, and capital budgeting techniques.
5. Be able to analyze key financial statements
6. Understand the function of management and role of corporate governance in firm success

Instructional Methodology:
Lecture, class discussion, handouts, question and answer sessions, computer presentations, reading assignments, required homework problems, and videos.

Performance Evaluation and Grading:
There are 3 major semester examinations, and quizzes. (The final exam will cover the new material and have a comprehensive portion). The final grade in this course is determined by the following grading criteria:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Major exams (each)</td>
<td>25%</td>
</tr>
<tr>
<td>Final Exam (comprehensive)</td>
<td>30%</td>
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<tr>
<td>Case</td>
<td>10%</td>
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<tr>
<td>Quizzes</td>
<td>10%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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A letter grade will be determined based on the percentage earned of total points possible, as follows:  A: 90-100%;  B: 80-89%;  C: 70-79%;  D: 60-69%;  F: 0-59%. In some instances, a modification of these guidelines may be applied.

Tentative test dates are listed on this syllabus, and they are unlikely to be changed. Should circumstances make it necessary, changes in exam dates will be announced in class and emailed through Blackboard. Should classes be cancelled on a test date, the next class date scheduled will be the exam date. No make-up exams will be administered. Your score on a comprehensive final exam will be substituted for the exam you missed.

I expect everyone to follow all rules of common courtesy during classroom lecture and discussion. The presence of cell phones and pagers as well as other disruptive items or actions are prohibited in the classroom.

**Oral and Written Communication Content:**
All major exams and the final exam are essay or mathematical manipulation. All homework is likewise prose or math and are graded and returned to the student as indicated above. As class size permits, students will be required to express themselves on various current topics or concepts.

**Technology Applications:**
Students are required to possess and have knowledge in the use of business or advance engineering calculators. Time value of money and other related financial computations are required in their usage. Text problems assigned as homework will often have spreadsheet applications.

**Ethical Perspectives:**
The difficulty of assigning financial values to human welfare, moral and ethical concepts in a cost-benefit or risk-return analysis is stressed. Several examples are discussed stressing these conflicts, such as the Ford Pinto cost-benefit analysis. Ethics in financial analysis is stressed not only for the consumer but for employees, government, and stockholders.
Global Perspective:
The global nature of current economic enterprises is reviewed. The concepts of exchange rate risk and governmental risk is discussed in as much as detail as possible given class size and time restraints.

Demographic Diversity Perspective:
The diversity within and among this country and that of other countries is discussed as it affects numeric inputs into the financial analysis. The financial goals of a corporation and its impact on demographic diversity are reviewed.

Political Social, Legal, Regulatory, and Environmental Perspectives:
The interaction of the economic, legal system and financial goals is considered. The contrast of accounting goals and financial goals in a legal environment is presented and contrasted as to their time dimension, discipline, and function. The interrelations of the various disciplines are considered from this integrated approach.

Attendance Policy:
Attendance is required. Every student is responsible for their homework assignments, lecture notes, handouts, and exams. Excuses are not accepted unless a student gains prior permission for missing a class, assignment, or exam. Gaining class notes for missed classes from other students is encouraged. The student is responsible for collecting all handouts and assignments from the professor for all classes that are missed. Excessive absences will result in lower grades.

Time
Success in this class depends on your ability to correctly work the exam problems. The best way to accomplish this is to practice the sample problems and work the problems at the end of the chapter. A general rule of thumb is that the student should expect to spend at least 3 hours of personal study time for each hour of class instruction.

Academic Honesty:
This course, and all other courses offered by the College of Business (COB), requires all of its students to abide by the COB Student Code of Ethics (available online at www.cob.tamu.cc.edu). Provisions and stipulations in the code are applicable to all students taking College of Business courses regardless of whether or not they are pursuing a degree awarded by the COB. 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 an F in the course and may include a recommendation that the student(s) involved be expelled from the university.

Americans with Disabilities Act Compliance:
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 contact the Disability Services Office at (361) 825-5816 or visit the office in Driftwood 101.

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.

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. Please see the university website for the last day to drop a class with an automatic grade of “W” this term.

Grade Appeals
As stated in University Rule 13.02.99.C2, Student Grade Appeals, 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 Rule 13.02.99.C2, Student Grade Appeals, and 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 Office of Student Affairs.

Online Testing
Courses may require the use of exam-proctoring involving third party charges. Exam-proctoring charges may range from $1 - $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.
FINA5320—
Spring 2018, Preliminary Schedule (subject to change) (Please note that chapter numbers may not reflect the new edition of the text, but the topics are what will be covered)

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Tentative Dates</th>
<th>Chapter Title</th>
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<tbody>
<tr>
<td>Intro to course</td>
<td>Jan 17</td>
<td>Intro to Course</td>
</tr>
<tr>
<td>Chapter 2</td>
<td>Jan 17,</td>
<td>Financial Statements, cash flow and taxes</td>
</tr>
<tr>
<td>Chapter 3</td>
<td>Jan 22,24</td>
<td>Analysis of Financial Statements</td>
</tr>
<tr>
<td>Chapter 4</td>
<td>Jan 29, Feb 1</td>
<td>Time Value of Money</td>
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<tr>
<td>Chapter 5</td>
<td>Feb 5 ,</td>
<td>Bond Valuation</td>
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<tr>
<td>Chapter 7</td>
<td>Feb 12,</td>
<td>Equity Valuation</td>
</tr>
<tr>
<td>Chapter 6</td>
<td>Feb 14</td>
<td>Risk and Return</td>
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**TEST # ONE on February 19,21**

| Chapter 10 | March 1 | Capital budgeting Evaluation Tools |
| Chapter 9 | March 5, 7 | Cost of Capital |

**Spring Break March 12-17**

| Chapter 11 | March 19, 21 | Cash Flow estimation |
| Chapter 12 | March 26, 28 | Corporate Valuation and Financial Planning |

**TEST # TWO on April 2 & 4**

| Return exam | April 9 |
| Final Case due | April 16 |

Selection of 3, 4 or 5 chapters from:

| Chapter 13 | April ___ | Agency Conflict |
| Chapter 14 | April ___ | Distributions to Shareholders |
| Chapter 16 | April ___ | Supply Chains and Working Capital Management |
| Chapter 19 | April ___ | Lease Financing |
| Chapter 20 | April ___ | Hybrid Financing |
| Chapter 22 | April ___ | Mergers and Corporate Control |
| Chapter 24 | April ___ | Bankruptcy & Reorganization |
| Chapter 25 | April ___ | Portfolio Theory and Asset Pricing Models |

Comprehensive FINAL EXAM (closed books and notes)
When: May 7, 4:30-7 ??? See official schedule on SAIL
Where: Regular classroom (_______)

All assignments are to be turned in at the beginning of the class on their due date unless otherwise instructed. Once accepted, no makeup or redo is allowed.

drop Date is April 30 (or official date set in the calendar)

Reading Day is May 3