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, 12th edition, by Stephen Ross; Randolph Westerfield; Bradford Jordan (there is an e-textbook option available), professor’s notes
- Internet Access for Connect Finance, Blackboard 9.1
- Connect™ Finance (for homework assignments and quizzes)
- Financial Calculator (Texas Instrument’s BA II Plus - no EXCEL, scientific or online calculators will be allowed).
- Desktop or laptop computers. Chromebooks and/or tablets do not work with Examity.

Important Message: This course requires the use of exam-proctoring involving third party charges. Exam-proctoring charges up to $50.00 per exam. Students are 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, students should be able to:
- Construct/understand a company’s financial statements and financial ratios (G2.O2 and G2.O3)
- Understand the concept of time value of money(G2.O1)
- Differentiate the characteristics of stocks and bonds and estimate the prices of bonds and stocks (G2.O1)
- Understand and employ the CAPM and SML (G2.O1)
- Estimate risk and understand its relationship to returns (G2.O1)
- Understand working capital management (G2.O1)
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 and recordings, 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. To facilitate student mastery of financial concepts, homework problems and quizzes will be assigned following the discussion of each major topic area. All homework assignments, quizzes and exams 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>300</td>
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<tr>
<td>Final Exam (Comprehensive)</td>
<td>400</td>
</tr>
<tr>
<td>Homework</td>
<td>100</td>
</tr>
<tr>
<td>Quizzes</td>
<td>100</td>
</tr>
<tr>
<td>Project</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total Points</strong></td>
<td>1,000</td>
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</tbody>
</table>

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 and notes “cheat” sheet is allowed. Collaboration is strictly prohibited. The use of any electronic device to search the internet during an exam is considered cheating and it will result in an automatic “F” for the course. Exams will take place using Examity, a proctoring mechanism.

The parts of the project assignment 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 and will result in a zero grade. 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 constitutes academic dishonesty and will be treated as such.

You will need a subscription to Connect. Each chapter will have a homework assignment and a quiz assigned to it. Homework assignments will have a due date but there will be no time limit other than the deadline. With regards to the homework assignments you will be allowed two attempts for each question. Quizzes will be timed and students will be allowed only one attempt.

Course Policies

**Attendance**

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 students must miss an exam, they should notify the instructor 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 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 the instructor 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. Tuesday, November 3, is the last day to drop a course with an automatic grade of “W” if you registered for FINA5311, CRN 65037. Thursday, November 5, is the last day to drop a course with an automatic grade of “W” if you registered for FINA5311, CRN 53358.

**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](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.
Civil Rights Statement
Texas A&M University-Corpus Christi is committed to fostering a culture of caring and respect that is free from discrimination, relationship violence and sexual misconduct, and ensuring that all affected students have access to services. For information on reporting Civil Rights complaints and support resources, (including pregnancy support accommodations) or university policies and procedures, please contact the University Title IX Coordinator, Sam Ramirez (Samuel.Ramirez@tamucc.edu) or Deputy Title IX Coordinator, Rosie Ruiz (Rosie.Ruiz@tamucc.edu) at (361) 825-5826 or visit the TAMUCC website at http://edcs.tamucc.edu/titleIX/.

Limits to Confidentiality. Essays, journals and other materials submitted for this class are generally considered confidential pursuant to the University’s student record policies. However, students should be aware that University employees, including instructors, are not able to maintain confidentiality when it conflicts with their responsibility to report alleged or suspected civil rights discrimination that is observed by or made known to an employee in the course and scope of their employment. As the course instructor, I must report allegations of civil rights discrimination, including sexual assault, relationship violence, stalking, or sexual harassment to the Title IX Coordinator if you share it with me.

These reports will trigger contact with you from the Civil Rights/Title IX Compliance office who will inform you of your options and resources regarding the incident that you have shared. If you would like to talk about these incidents in a confidential setting, you are encouraged to make an appointment with counselors at the University Counseling Center (https://counseling.tamucc.edu/).

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.

Summary of Topical Coverage: Hours
Topic 1: Financial Statements, Taxes, and Cash Flow ................................................................. 4.0
Topic 2: Working with Financial Statements ............................................................................... 4.0
Topic 3: Introduction to Valuation: The Time Value of Money ................................................... 3.5
Topic 4: Discounted Cash Flow Valuation .................................................................................. 5.0
Topic 5: Interest Rates and Bond Valuation ................................................................................ 4.5
Topic 6: Equity Markets and Stock Valuation ............................................................................ 4.5
Topic 7: Net Present Value and Other Investment Criteria .......................................................... 3.5
Topic 8: Making Capital Investment Decisions ......................................................................... 4.5
Topic 9: Some Lessons from Capital Market History ................................................................. 2.5
Topic 10: Risk and Return ........................................................................................................ 5.5
Topic 11: Cost of Capital .......................................................................................................... 3.5

Total Hours 45.0
<table>
<thead>
<tr>
<th>Date/Week</th>
<th>Topics</th>
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| Thursday, October 8, Semester starts | 2 Introduction, Financial Statements, Taxes, and Cash Flow  
3 Working with Financial Statements |
| Week 1 | 5 Introduction to Valuation: The Time Value of Money  
6 Discounted Cash Flow Valuation -Part 1 |
| Week 2 | 6 Discounted Cash Flow Valuation -Part 2  
7 Interest Rates and Bond Valuation |
| Week 3 | 8 Stock Valuation  
Midterm (chapters 2-8) |
| Week 4 | 9 Net Present Value and Other Investment Criteria  
10 Making Capital Investment Decisions |
| (TBA) | Project-Due date |
| Week 5 | 12 Some Lessons from Capital Market History  
13 Return, Risk and the Security Market Line |
| (TBA) | 14 Cost of Capital |
| Week 6 | Final Exam (comprehensive, chapters 2-14) |
| Tuesday, November 24 |  |