

Managerial Finance
Course Syllabus

Instructor:	Li Sun, Ph.D.	Semester:	Spring 2016
Office:	Beck Hall 157	Course Number:	E/M-370-001
Office Hours:	MTW 2:30-4:00pm or by appointment	Class Hours:	MTWF 1:30pm-2:20pm
Phone:	507-933-7011	Location:	Beck Hall 101
E-mail:	lsun@gustavus.edu	Instruction Method:	Lecture/Discussion

CATALOG DESCRIPTION:

A study of the financial structure and problems of financing business enterprises, including financing of working capital, cash flow, capital budgeting, and monetary and capital markets. Students will develop a business plan and analyze its feasibility. Problem-solving is a major part of the class and students will work in small groups on assigned problems.

PREREQUISITE: E/M-101, E/M-102, E/M-110, E/M-125 or MCS-142, MCS-121 or MCS-119, and E/M-270

COURSE OBJECTIVES:

The course objective is to familiarize students with the fundamental concepts and analytical tools of Financial Management used by professionals. The course provides the basic concepts and principles of financial management. Upon successful completion of the course, students should be able to:

1. engage in certain capital budgeting procedures including payback, discounted payback, net present value, and internal rate of return;
2. understand the concept of leverage and the return and risk of alternative capital structures;
3. determine a company's financial health and make financial decisions;
4. specify the dividend payment procedures and the types and relevance of dividend policy;
5. understand the types and effect of leasing arrangements;
6. differentiate between hybrid and derivative securities, mergers, LBOs, and divestitures;
7. understand the purposes of corporate risk management and the effects of managing risk on corporate
8. understand the major factors that influence the financial operations of multinational companies;

REQUIRED TEXTBOOK AND MATERIAL:

1. Principles of Managerial Finance with MyFinanceLab (14 edition), by Lawrence J. Gitman and Ghad J. Zutter.
Loose leaf version is available in the Book Mark
2. Texas Instruments BAII Plus Financial Calculator (recommended)

I will use a TI-BAII Plus financial calculator in class and explain how to work some problems with it. It is your responsibility to understand how to use calculators to solve the problems during exams. Note students cannot share calculators on exams.

MOODLE CLASS WEBSITE:

A class website on Moodle is created for posting messages, assignments, exam study guides, and additional study materials. Class announcement and due dates will be posted on Moodle. Excel assignments and group project are to be submitted electronically to the designated folders on Moodle.

COURSE EVALUATION:

The final grade will be determined on the basis of quizzes and examination grades, performance of assignments, class attendance and participation. Students are expected to turn in assignments and take exams according to the schedule. To be excused from an exam, the student must contact me **before the exam**. Excuses will be granted only if the student is unable to take the exam because of serious illness or injury, or a significant personal or professional commitment. Cheating and plagiarism on any assignment will result in an "F" grade for the entire course.

Attendance and Participation (8%)

Participation and attendance are important to complete this course successfully. Some materials and assignments will be discussed and completed only in class. Students are required to actively participate in the discussion and expected to have read the assigned material prior to the class meetings. At random times throughout the course, students will be called upon to present a brief overview of the main issues discussed in the readings. I will also randomly check attendance and will take 5 points off for each absence after the second one. If you must miss class for a legitimate reason, you need to notify me **in advance**. In that case, I will not deduct points from your absence (contacting me after the missing class will not be considered).

Homework Assignments (20%)

Assigned problems will be available on MyFinanceLab, an electronic computer assignment and scoring website. A MyFinanceLab access code can be purchased from the bookstore. You can also buy one during the online registration process. The link to MyFinanceLab website is www.pearsonmylabandmastering.com.

To register, search for Course ID: **sun05923**.

You need to work **on your own** for the MyFinanceLab homework.

Homework will have to be submitted through MyFinanceLab before 11:59 pm on the due date.

Late submission beyond the deadline will receive reduced or no credit, unless you have a serious medical condition that prevents you from submitting it on time. Late submission will be penalized with a loss of 15% of the total points earned per each day late.

I will drop the lowest assignment score when calculate the final grade.

Group Excel Assignments (12%)

In the beginning of the class, students should form a study group with no more than 3 members in the group. Each group is required to complete assignments using MS Excel spreadsheets.

Assignments that are not completed on spreadsheets or are perceived by the instructor to be identical with another group's answer will not be graded. Completed cases are to be turned to Moodle prior to the meeting time of the class on the due date. Due date for the assignments will be posted on Moodle.

Group Project & Presentation (10%)

Each student will be involved on a team to analyze a firm and present their finding to the class. The purpose of this assignment is to apply the financial concepts learned in this class to a specific firm. Each group will use PowerPoint to present their findings to the class in addition to turning in a formal research paper (typed and double-spaced) with six to ten pages of writing (excluding figures, tables, references, and appendices). The paper should be an in-depth analysis on a company's (will be assigned) financial performance. To complete the project, students should obtain the most recent Annual Report or 10-K Statement of the company and the company's financial statements over the most recent 10-year period. The report should follow the Guideline that will be posted on Moodle. The paper will be evaluated on brevity, substantiating information, and logic of presentation. **Your final project is due by midnight Saturday, May 21st.**

Term Examinations (50%)

Three term exams and a non-cumulated final exam will be administered throughout the term. Each exam will consist of multiple-choice, essay questions and problem-solving questions. Exam contents are taken from the reading and hands-on material covered in the course required text. No books and no notebooks will be allowed in the examinations. For the exams you will be allowed to bring in a financial calculator and a 3 by 5 inch note card. Final Exam will be on May23, 8:00 am -10:00 am. No make-up will be available for the final exam.

GRADING PROCEDURE:

Points Allocation		Grading Scale		
Homework Assignments	200 points	A+ = 96 - 100%	A = 93 - 95%	A- = 90 - 92%
Group Project	100 points	B+ = 87 - 89%	B = 83 - 86%	B- = 80 - 82%
Excel Assignments	120 points	C+ = 77 - 79%	C = 73 - 76%	C- = 70 - 72%
Term Exams	500 points	D+ = 67 - 69%	D = 60 - 66%	F: 59% or below
Attendance & Participation	80 points			
Total	1,000 points			

COURSE CONTENT/SCHEDULE: (subject to change depending on the actual progress in class)

<u>Week</u>	<u>Date</u>	<u>Chapter</u>	<u>Subject</u>
1	2/8-2/12		Introduction
		10	Capital Budgeting Techniques
2	2/15-2/19	11	Capital Budgeting Cash Flows
3	2/22-2/26	12	Risk and Refinements in Capital Budgeting
	2/29-3/1		Exam 1 (Chapters 10-12)
4	3/2-3/4	13	Leverage and Capital Structure
5	3/7-3/11	13	Leverage and Capital Structure (Continued)
6	3/14-3/18	14	Payout Policy
7	3/21-3/23		Review and Exam 2 (Chapters 13-14)
8	3/25-4/3		--Spring Break--
9	4/4-4/8	17	Hybrid and Derivative Securities
10	4/11-4/15	18	Mergers, LBOs, Divestitures, and Business Failure
11	4/18-4/22		Mergers, LBOs, Divestitures, and Business Failure (Continued)
	4/25-4/26		Exam 3 (Chapters 17-18)
12	4/27-4/29		Special Topic: Risk Management and Corporate
13	5/2-5/6	19	International Managerial Finance
14	5/9-5/13		Presentations
15	5/16-5/18		Review
	5/23		Final Exam (Chapter 19 & Special Topic)

ACADEMIC HONESTY AND DISCIPLINE:

University students are expected to conduct themselves according to 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, forgery or plagiarism. Disciplinary action will be taken for academic misconduct.

CLASS CONDUCT:

Gustavus Adolphus College is an institution of academic excellence. Students are expected to act with courtesy and respect to the instructor and classmates. To foster a positive learning environment, students should focus on the course-related materials during the class time and refrain from engaging in extraneous activities (e.g., texting, side conversations, non-class related internet use). Comments that are demeaning, hurtful, or offensive are unacceptable and will be met with strong disapproval and decisive action in accordance with the GAC Student Code of Conduct.

DISABILITY SERVICES:

Gustavus Adolphus College is committed to ensuring the full participation of all students in its programs. If you have a documented disability (or you think you may have a disability of any nature) and need reasonable academic accommodations to participate in class, take tests or benefit from the College's services, you should speak with the Disability Services staff, for a confidential discussion of your needs and appropriate plans. Course requirements cannot be waived, but reasonable accommodations may be provided based on disability documentation and course outcomes. Accommodations cannot be made retroactively; therefore, to maximize your academic success at Gustavus, please contact Disability Services as early as possible. Disability Services (www.gustavus.edu/advising/disability/) is located in the Academic Support Center. Disability Services Coordinator, Kelly Karstad, (kkarstad@gustavus.edu or x7138), can provide further information.

DISCLAIMER:

Information contained in this syllabus is, to the best knowledge of the instructor, considered correct and complete when distributed for use at the beginning of the semester. However, this syllabus should not be considered a contract between Gustavus Adolphus College and any student. The instructor reserves the right, acting within the policies and procedures of GAC, to make changes in course content or instructional technique without notices or obligation.