

Fayetteville State University
School of Business and Economics
Department of Finance, Economics, Entrepreneurship and Marketing
FINC 620.D1 (Financial Management)
Fall 2009

I. Locator Information

Instructor: Dr. Thomas G. E. Williams

Course # and Name: FINC 620.D1 Financial Management

Semester Credit Hours: 3 Semester Hours

Day and Time Class Meets: Online

Total Contact Hours for Class: 45

E-mail: tgewilliams@uncfsu.edu

Office Location: SBE Room 317

Office Hours: 12:15 p.m. – 2:45 p.m.
(TR) and 10:30 a.m. – 1:30 p.m. (W)

Office Phone: (910) 672-1736

FSU Policy on Electronic Mail: Fayetteville State University provides to each student, free of charge, an electronic mail account (username@uncfsu.edu) that is easily accessible via the Internet. The university has established FSU email as the primary mode of correspondence between university officials and enrolled students. Inquiries and requests from students pertaining to academic records, grades, bills, financial aid, and other matters of a confidential nature must be submitted via FSU email. Inquiries or requests from personal email accounts are not assured a response. The university maintains open-use computer laboratories throughout the campus that can be used to access electronic mail.

Rules and regulations governing the use of FSU email may be found at <http://www.uncfsu.edu/PDFs/EmailPolicyFinal.pdf>

II. Course Description

This course focuses on the firm's financing and investment decisions. Among the topics covered is capital budgeting, cost of capital, capital structure, and risk management. Emphasis is placed on the importance of valuation in financial decision making and on the effects of international capital markets on the firm's value creation opportunities.

III. Disabled Student Services

In accordance with Section 504 of the 1973 Rehabilitation Act and the Americans with Disabilities Act (ACA) of 1990, if you have a disability or think you have a disability to please contact the Center for Personal Development in the Spaulding Building, Room 155 (1st Floor); 910-672-1203.

IV. Required Text and Materials

1. Textbook

- i. Corporate Finance, 8th Edition by Stephen A. Ross, Randolph W. Westerfield, and Jeffrey Jaffe, McGraw-Hill Irwin, 2008, ISBN 13-9780073337180
- ii. Cases in Finance, 2nd Edition by Jim DeMello, McGraw-Hill Irwin, 2006, ISBN 13-9780072983227

2. Financial Calculator

Students will need the use of a financial calculator or Excel in this course. The calculator must at least have the following keys: PV, FV, PMT, I or I/YR, n, NPV, IRR, square root, e^x , and y^x . Calculators with these keys include the Hewlett Packard HP-10BII, HP-12C, and TI BAII Plus among others. The instructor uses a

HP-10BII calculator for this class. Each student is responsible for reading the calculator manual in order to become proficient in the use of the calculator. Students should know how to set change the number of decimal places and adjust the payments per period. Finally, students shall have sole responsibility to know how to use their calculator before they begin to work on the material in Chapter 4. Excel may also be used in place of or as supplement to the financial calculator to make computations.

V. **Student Learning Outcomes**

Change from here down as appropriate

Upon completion of this course, students will be able to:

- 1) Identify the different issues examined in finance, and explain the role of a financial manager and the goal of financial management;
- 2) Characterize different types of financial markets and explain the relationship to the financial management of the firm;
- 3) Demonstrate an understanding of and the relationship between the different financial statements;
- 4) Extract information from financial statements and compute financial ratios;
- 5) Compute and interpret financial ratios;
- 6) Estimate cash flows and funding requirements;
- 7) Describe time value of money concepts and apply time value techniques to compute present and future values, rates of return, and the time required to achieve a financial goal;
- 8) Use financial techniques to value assets such as bonds and stocks;
- 9) Estimate cash flows for capital budgeting purposes;
- 10) Evaluate capital projects using various techniques;
- 11) Estimate the cost of capital;
- 12) Describe the components of capital structure and explain how financing decisions made to enhance firm value;
- 13) Explain alternate means by which a company compensate equity investors;
- 14) Explain the process firms use to raise capital;
- 15) Describe the characteristics of different types of long-term debt.

VI. **Course Requirements and Evaluation Criteria**

Discussion Board

This a forum set up in Blackboard for students to engage in academic discussion related to the material covered in this course. However, since there is no classroom contact in this course, students should introduce themselves by providing their name, geographic location, educational background, work experience, type of employment, career and professional interests and any other information they wish to share.

The instructor will participate in the discussions by way of explaining concepts, clarifying ideas and providing answers to relevant questions. The instructor may also ask questions or post articles and solicit student input. You should expect instructor input twice each week during the course.

Discussion board participation is incorporated to encourage students to engage in academic discussion related to the material covered in this course. Students may contribute through the asking or answering of questions, and the sharing of relevant information reported in the financial press. When referencing information reported in the financial press appropriate citation should be used. Meaningful participation through the discussion forums is requirement to earn credit for class participation.

Quizzes

Quizzes will consist of multiple choice problems and theory questions. A clear understanding of the material is required to do well on the quizzes, particularly the theory questions. The questions on each quiz may require understanding of material covered in an earlier chapter.

The quizzes comprise the major component of the course grade. Practice quizzes are posted under Course Documents on Blackboard to help students prepare for the graded quizzes. The practice quizzes are generally shorter than the quizzes that will contribute to the course grade. Students may have the opportunity

to drop a quiz without it having any impact on their grade, since no make-up quizzes are scheduled.

The quizzes for course grade are posted under Assignment on Blackboard, so that students can take them at their convenience within the guidelines stated below and those provided for each quiz. Students will be given until 9:30 P.M. on the fourth day after the quiz first appears on Blackboard to take the quiz. For example, if Quiz 1 is posted on Tuesday, August 25th, it will be available from 12:05 A.M. on that day until 9:30 P.M. on Saturday, August 29th. The instructor reserves the right to change this policy if necessary. An announcement will be posted on Blackboard if a change is made.

Cases

Six cases selected from the DeMello textbook will be assigned for this course. The case write-ups should be submitted via the Digital Dropbox by 9:30 p.m. on the due dates. The document should be submitted in MS Word format, with 12 point print, double spaced paragraphs, with 1" margins (top, bottom, right and left). The write up should include the questions followed by the corresponding answers. The following information should also be included on each page: student's name, date, course number and case title. You may follow the format in the examples provided on Blackboard.

In grading the case write-up the following will be considered:

- Clarity and completeness of answers to all questions
- Answers demonstrate understanding of the subject matter
- Accurate computation along with the relevant formulas included
- Diagrams, tables and spreadsheets included where appropriate
- Includes bibliography and appropriate citation
- Overall presentation of the case

The filenames of the assignments you submit to the Digital Dropbox for grading should be easily identifiable and distinguishable from each other. For this reason, here is a suggested format when submitting the case write-up for Case 3, Case03_Yourname.doc.

Optional Final Exam

An optional comprehensive final exam will be available to students who wish to improve their grade in the class. This exam can be used for up to 15% of the course grade and should be beneficial to students who missed assignments or those who did not perform satisfactorily on completed assignments. Students who are satisfied with their scores on the quizzes and cases do not need to take the final exam. The exam will be administered during the final week of the semester.

Homework

Successful completion of all the homework problems posted on Blackboard is an important component of this course, which is essential to student success on the quizzes. Working through the homework problems will help students to better understand the material, improve their performance of the quizzes and increase their ability successfully complete the cases. Homework problems and questions should be completed after the student has gone over the material in each chapter. Solutions to end of chapter problems are posted on Blackboard.

Students should first attempt to do the problems by themselves then collaborate with a classmate before they check with the solutions provided on Blackboard. Students, who need additional help with their homework problems after checking the solutions should contact the instructor (via the Discussion Board) for further assistance. To do well on the quizzes and cases, students should develop the skill and knowledge necessary to eventually be able to do all of the homework problems without assistance.

Make-up Policy

There are no scheduled make-up quizzes; however, the instructor may consider each request, provided it is made in writing before the quiz and is consistent with the university's policy for excused absences. The written request for a make-up quiz submitted by the student should clearly state the reason for the request and should be accompanied by the documentation required by the university to substantiate the claim. When

approved, make-up quizzes will be scheduled at a mutually agreeable time. Unexcused failure to take a quiz or turn in a case on time will result in a zero score for that quiz or case. Late submissions of quizzes or case write-ups will not be accepted.

Academic Integrity

Students are expected to adhere to ethical academic practices. Anyone participating (actively or passively) in the use or exchange of unauthorized material, or engaged in unethical practices during the pursuit of this course will be subjected to the university's Dishonesty in Academic Affairs policy (Refer to the Fayetteville State University Graduate Catalog).

Request for Review

A student may request a review of graded cases, or quizzes in writing within 5 days after they are returned or the date that the grade is made available to the student, whichever is earlier. The student must clearly state the specifics of the issue he/she would like the instructor to address. All requests for review must be in writing.

Technology Requirements

As an online course, students must have access to a computer with internet connection. High-speed internet service is preferred but not required. The course will be conducted on the Blackboard platform provided through the university (There is no specific software required by students.) Students can access Blackboard from the university homepage (<http://www.uncfsu.edu/>) by clicking on Current Students and then Blackboard Learning System or going to Quick Links and clicking on Blackboard. This will give you access to the FSU Blackboard System; from here you logon using your university assigned Logon ID and your password. Material submitted to the instructor for this course should be in Microsoft Office format.

Blackboard Interface. Students should be comfortable with all aspects of Blackboard including the use of mailing lists, digital drop boxes, and how to use communication tools to send and receive assignments from the professor and other class members.

The Internet. Students must be capable of using the internet, especially for purposes of retrieving course related information from the web and accessing the electronic facilities of the FSU Chesnutt Library. The demands of the course may also require that students visit selected websites to retrieve information for the cases, practice exercises and effective participation in course discussions.

Email Services. Students must be capable of sending and receiving email, including the use of attachments. Written attachments submitted by the students must be in MS Word format.

Microsoft Office Professional. Students are expected to be competent in the use of Microsoft Office Professional. This is necessary since all work submitted must be in MS Word, Excel or PowerPoint format.

Evaluation Criteria

Quizzes	60%
Cases	30%
Class Participation	10%
Total	100%

Grading Scale

Scores	Grade	Meaning
90% to 100%	A	Superior
80% to 89%	B	Good
70% to 79%	C	Marginal (acceptable for graduate credit)
0% to 69%	F	Failure (any level of performance below "C")

Prerequisites

FINC 560, with grade of “C” or better.

Conduct of Class

Students will be evaluated on the basis of quizzes, exams, cases, and class participation through the Discussion Board. The instructor reserves the right to change the assigned chapters or parts of chapters and, thereby, the homework assignments and exam dates without it having any effect on the remainder of this syllabus; and reassign the weights for grading purposes. Students are also required to read additional materials assigned during the semester. Materials from the additional readings may be included on the exams.

The instructor will log onto Blackboard at least two times per week to review and respond to questions and comments posted by students.

When students send an email it must contain the following information:

Course Number, Section Number, Your Name, Reason for message

Example: FINC 620 D1 John Jones Question on Assignment Schedule

The above format is stipulated to mitigate the increasing threat of virus attacks, therefore, if the subject line of your emails do not follow this format, they will be deleted unread.

All discussions related to the course material will be conducted in an open forum on the Discussion Board so that all students can participate and benefit in process. Therefore, students should post their questions on the Discussion Board and not send questions directly to the instructor by email. The instructor does not respond to emails that address course material.

Students are encouraged to read current business publications including *The Wall Street Journal* and other financial publications (print and electronic) to stimulate their curiosity and expand their knowledge base of issues related to financial management. It is expected that information from these sources will provide material for your participation in the discourse that takes place on the Discussion Board. Students will have an opportunity during the first week of class to sign-up for a subscription to *The Wall Street Journal* at a special discount rate for students.

The *Code of the University of North Carolina* (of which FSU is a constituent institution) and the *FSU Code of Student Conduct* affirm that all students have the right to receive instruction without interference from other students who disrupt classes.

FSU Core Curriculum Learning Outcome under Ethics and Civic Engagement (6.03): All students will “prepare themselves for responsible citizenship by fulfilling roles and responsibilities associated with membership in various organizations.” Each classroom is a mini-community. Students learn and demonstrate responsible citizenship by abiding by the rules of classroom behavior and respecting the rights of all members of the class.

The FSU Policy on Disruptive Behavior (see FSU website for complete policy) identifies the following behaviors as disruptive:

1. Failure to respect the rights of other students to express their viewpoints by behaviors such as repeatedly interrupting others while they speak, using profanity and/or disrespectful names or labels for others, ridiculing others for their viewpoints, and other similar behaviors;
2. Excessive talking to other students while the faculty member or other students are presenting information or expressing their viewpoints.
3. Use of cell phones and other electronic devices (including calculators on cell phones and similar electronic devices)
4. Overt inattentiveness (sleeping, reading newspapers)
5. Eating in class (except as permitted by the faculty member)
6. Threats or statements that jeopardize the safety of the student and others

7. Failure to follow reasonable requests of faculty members
8. Entering class late or leaving class early on regular basis
9. Do not leave trash behind.

The instructor may take the following actions in response to disruptive behavior. Students should recognize that refusing to comply with reasonable requests from the faculty member is another incidence of disruptive behavior.

1. Direct student to cease disruptive behavior.
2. Direct student to change seating locations.
3. Require student to have individual conference with faculty member. At his meeting the faculty member will explain the consequences of continued disruptive behavior.
4. Dismiss class for the remainder of the period. (Must be reported to department chair.)
5. Lower the student's final exam by a maximum of one-letter grade.
6. File a complaint with the Dean of Students for more severe disciplinary action.

Students who believe the faculty member has unfairly applied the policy to them may make an appeal with the faculty member's department chair.

Students should not conduct private conversations while the class is in session.

University policy prohibits non-enrolled students from being present in the classroom.

Some of the requirements outlined under the **Conduct of Class** may not apply since this is an online course.

VII. Academic Support Resources

Smarthinking, University College Learning Center, and materials provided on Blackboard by the instructor and textbook publisher.

VIII. Course Outline

Week	Topic	Cases Due
1	Introduction to Corporate Finance (Chapter 1)	
2	Financial Statements and Cash Flow (Chapter 2)	
3	Financial Statement Analysis and Long-Term Planning (Chapter 3)	1 st , 9/7
4	Discounted Cash Flow Valuation (Chapter 4)	
5	How to Value Stocks and Bonds (Chapter 5)	2 nd , 9/21
6	Net Present Value and Other Investment Rules (Chapter 6)	
7	Making Capital Investment Decisions (Chapter 7)	
8	Risk Analysis, Real Options, and Capital Budgeting (Chapter 8)	3 rd , 10/8
9	Risk, Cost of Capital and Capital Budgeting (Chapter 12)	
10	Long-Term Financing (Chapter 14)	4 th , 10/22
11	Capital Structure (Chapter 15)	
12	Capital Structure: Limits to the Use of Debt (Chapter 16)	5 th , 11/5
13	Dividends and Other Payouts (Chapter 18)	
14	Issuing Securities to the Public (Chapter 19)	6 th , 11/17
	Long-Term Debt (Chapter 20)	
15	Short-Term Finance and Planning (Chapter 26)	
16	Final Exam Schedule: December 5-11, 2009	

IX. Teaching Strategies

To successful complete this course students must be disciplined and exert significant personal effort. While

there are no class lectures, there are deadlines, which must be met in order to progress and successfully complete the course. Strategies employed to facilitate student learning includes the provision of lecture notes, solution to problems with explanations, online discussion of course material and current issues related to financial management, PowerPoint presentations, readings from the financial press, assigned homework problems, the use of cases, and quizzes at the end to each chapter.

X. Bibliography

Brealey, Richard A., Stewart C Myers, and Franklin Allen, *Principles of Corporate Finance*, 9th Edition, McGraw Hill (2008).

Brigham, Eugene F., and Michael C. Ehrhardt, *Financial Management: Theory & Practice*, 12th Edition, South-Western, (2008).

Brigham, Eugene F., and Joel Houston, *Fundamentals of Financial Management*, 12th Edition, South-Western, (2010).

Copeland, Thomas E., Weston, J. Fred and Kuldeep Shastri. *Financial Theory and Corporate Policy*, 4th edition, Addison Wesley, (2005).

Emery, Douglas R. and John D. Finnerty, *Corporate Financial Management*, 3rd Edition, Prentice-Hall, Inc. (2007).

Gitman, Lawrence J., *Principles of Managerial Finance*, 12th Edition, Boston, MA: Pearson Prentice Hall (2009)

Appendix to Course Syllabus (FINC 620.D1)

- 1) Hewlett Packard has extended an offer of **15% off HP Calculators** to students. To take advantage of this deal visit www.shopping.hp.com/calculator and use coupon code **AC8972** at checkout. The offer is valid until September 15, 2009.
- 2) Friday, October 30 – Deadline for removing incomplete grades from previous semester.
- 3) Friday, October 30 – Deadline for withdrawing from class(es).
- 4) Wednesday, November 18 – Deadline for withdrawing from the university (all classes).
- 5) The mission statement of the School of Business and Economics (SBE) at Fayetteville State University (FSU) is:

The School of Business and Economics is dedicated to providing quality business education to a diverse student population. The School prepares students to meet the challenges of a changing environment and to compete in a global market. This is accomplished by supplementing the University's strong teaching emphasis with research and a curriculum that reflects the changing market conditions. The School also assists in regional economic transformation by promoting entrepreneurial and economic education.

Grade you plan to earn in this class: _____

Personal Information

Last Name _____ First Name _____

Name that you prefer to be called _____

Hometown _____ State _____

Phone Number: Day _____ Night _____

E-mail Address: _____

Hobbies and Interests _____

Countries Visited: _____

Campus Organizations or Extra Curricula Activities _____

Birth Date (optional) _____

Classification and Career Plans

M.B.A. Other (specify)

Current Occupation: _____

Career Aspirations (if known) _____

Prerequisite Information (FINC 560 or equivalent, with grade of 'C' or better)

Grade in FINC 560 _____

Taken at FSU Other (name of school) _____

Instructor's Name _____

Semester and year taken _____

I _____ do affirm that I have successfully completed all of the prerequisites for the course listed above or obtained the necessary waiver from the Instructor or MBA Director. I also attest that I have read the course syllabus, reviewed course materials on Blackboard, fully understands and agrees with the requirements to participate in discussion on Blackboard, read assigned chapters, do all homework assignments, the technology requirements, accept and observe all the relevant due dates, grading procedures, make-up policies, requests for review procedure, and all other requirements and conditions outlined in the course syllabus.

Signed _____ Date _____, 2009

NO STUDENT WILL BE ALLOWED TO REMAIN IN CLASS AFTER THE FIRST SEVEN DAYS OF THE ACADEMIC SEMESTER IF A COMPLETED AND SIGNED COPY OF THIS FORM HAS NOT BEEN RETURNED TO THE INSTRUCTOR.