

**FAYETTEVILLE STATE UNIVERSITY**  
**SCHOOL OF BUSINESS AND ECONOMICS**  
**Department of Finance, Economics, Entrepreneurship and Marketing**

**FSU Policy on Electronic Mail:** Fayetteville State University provides to each student, free of charge, an electronic mail account ([username@uncfsu.edu](mailto: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:** A course in basic financial management, including the study of the nature of financial management, financial analysis, working capital management, and long-term investment decisions.

**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 (1<sup>st</sup> Floor); 910-672-1203.

**IV. Textbook and Financial Calculator:**

1. Textbook

Gitman, Lawrence J., Principles of Managerial Finance, 12/E  
Addison-Wesley, (2008).  
ISBN: 978-0-321-52413-3

2. Financial Calculator: The recommended calculator for the class is the Texas Instruments BA-II Plus. It is one of the cheaper financial calculators on the market and is used in other finance courses. If you prefer you can use Excel in place of the calculator, but some of you may find the calculator easier to use to take timed exams.

**V. Student Learning Outcomes**

Upon completion of this course the student should be able to:

- Define the major areas of finance, explain the goal of financial management, and identify the career opportunities available in the field.
- Describe the relationship between financial institutions and markets, and the role and operations of financial markets.
- Use financial ratios to analyze the firm's performance and market value.
- Explain the implication of the firm's cash flows and financial planning.
- Describe the concepts of time value of money and the trade-off between risk and return, and apply them to real world problems.
- Describe interest rate fundamentals and explain the general features, quotations, ratings, and types of bonds.
- Explain the rights, characteristics, and features of both common and preferred stock.
- Apply financial technique and theory to value various financial instruments.

## VI. Course Requirements and Evaluation Criteria

### A. Grading Scale

Scores	Grade	Meaning
92% to 100%	A	Exceptionally high
83% to 91%	B	Good
73% to 82%	C	<u>Satisfactory</u>
64% to 72%	D	<u>Marginally passing</u>
63% and below	F	<u>Failing</u>
	FN	Failing due to non-attendance. (Student registered, but <u>never</u> attended.)

### B. Graded Assignments

#### **EXAMS**

1. There will be three exams and an optional comprehensive final. Exams are designed to test your understanding of facts, concepts, and problem-solving methods. They are not designed to test your memorization skills.
2. The final exam is comprehensive and students may use the final exam to replace one of prior three semester exam grades. This policy eliminates the need for makeup exams. If a student misses an exam for any reason, the student will simply allocate the 20% that would go to the missed exam. Students who are satisfied with their scores on the first three exams are not required to take the final.

#### **DISCUSSION BOARD PARTICIPATION**

Students should check the discussion board regularly and participate in any ongoing discussions. Students are expected to actively participate in the class discussion board. For example, students are expected to comply with simple requests for information or input made by the instructor. Students may also use the board to ask questions of the instructor and fellow students.

#### **HOMEWORK:**

Homework problems are provided to help students master the material and to prepare them for exams. Some assignments will also give students the opportunity to enhance their writing skills. Each student is expected to work through all assigned problems. The instructor reserves the right to periodically ask for homework submissions to be counted towards the final grade. To receive credit for an assignment, papers must be turned in at or before class time or by the due date and time. Hand-in assignments will be grade on the basis of 0 - 100. Homework will count for 20 % of the final grade. **Save your homework.** You will find it useful in studying for tests. Please keep all homework assignments in a three-ring binder and rework any problems you missed. In preparing your homework assignments, please observe the following instructions:

- Homework may be handwritten, but legibility and neatness are imperative
- Please number your pages and **staple** them together
- Please keep a copy of your homework assignments.

#### **CHAPTER WRITE-UPS**

Students are required to read each chapter thoroughly and turn in about one to three-page typewritten solution to assigned problems of each chapter. The due date of each write-up will be posted on blackboard

and students should submit their summaries to the digital drop box on Blackboard by 9:30 pm on due date. Chapter summaries will count for 20 % of the final grade. Each summary will be graded on a scale of 0 to 100. Copying directly from the textbook or other sources is not acceptable. Chapter writeups should be written in **your own words** and they should address the following questions.

Chapter Writeup 01 (Chapter 01 Review Questions, textbook pages 9 -32):  
 #1-1, 1-2, 1-3, 1-5, 1-7, 1-8, 1-11, 1-12, 1-13, 1-14, 1-15, 1-20, 1-22, 1-25 and 1-27.

Chapter Writeup 02 (Chapter 02 Review Questions, pages 53 -78):  
 #2-1, 2-3, 2-4, 2-5, 2-7, 2-9, 2-11, 2-12, 2-13, 2-15, 2-17 and 2-19.

Chapter Writeup 03 (Chapter 03 Review Questions, page 117 -135):  
 #3-3, 3-5, 3-6, 3-8, 3-9, 3-12, 3-13, 3-14, 3-16, 3-17, and 3-18.

Chapter Writeup 04 (Chapter 04 Review Questions, page 166 -201):  
 #4-1, 4-3, 4-4, 4-6, 4-8, 4-11, 4-12, 4-14, 4-15, 4-17, 4-18, and 4-19.

Chapter Writeup 05 (Chapter 05 Review Questions, pages 233-259):  
 #5-1, 5-2, 5-4, 5-5, 5-7, 5-8, 5-9, 5-10, 5-11, 5-12, 5-13, 5-14 and 5-15

Chapter Writeup 06 : (Chapter 06 Review Questions, page 291-311) :  
 #6-1, 6-2, 6-3, 6-6, 6-7, 6-8, 6-9, 6-10, 6-11, 6-12, 6-13, 6-16, 6-17, 6-18, and 6-19

Chapter Writeup 07: (Chapter 07 Review Questions, pages 331-359):  
 #7-1, 7-2, 7-3, 7-4, 7-5 and 7-6, 7-7, 7-8, 7-9, 7-10, 7-11, 7-12, 7-13, 7-15, 7-16, 7-18, and 7-19

C. Value of Each Assignment

Points toward the final letter grade will be allocated as follows:

Exam I	20%
Exam II	20%
Exam III	20%
Homework	20%
Chapter Write Ups	20%

- D. Policy on Missed or Late Assignments: **No makeup tests** or assignments will be given unless a student has a legitimate excuse for missing a test, in which case a special makeup will be given within one week from the original test date. Excuse for any missed test **MUST** be presented to the instructor before the student misses a test and then provide me **the official note of excused absence** in support of your excuse. Excused absences may be granted to students for university authorized activities, military obligations, serious illness and family emergencies.

E. Other

**CHEATING:** The procedure for dealing with cases of academic cheating will be consistent with the University catalog/student handbook. There will be no exceptions.

**SPECIFIC COMPUTER REQUIREMENTS**

Class assignments will require the use of a computer with spreadsheet, word processing, and internet browsing capabilities. As this is a web-based course, students will be required to obtain course materials online through the Blackboard system. Access the Blackboard system through the link on the university

web page, and follow the directions given there to log on. Make sure that your e-mail address in Blackboard is current so that you can be reached if necessary. Students should check for announcements on Blackboard regularly, and check the discussion board regularly. Submit any documents to the instructor through the “digital drop box” on Blackboard, except when instructed otherwise. Submit all documents in Microsoft Office format (i.e. Word, Excel, Access, PowerPoint). Do not send documents to the instructor as e-mail attachments. Any questions for the instructor (except those of a personal nature) should be posted to the class discussion board. The instructor will not give private information on matters relevant to the course content by email. Responses to these types of emails will be posted to the discussion board so that all class members may benefit from the instructor’s replies.

**File Name of Assignments**

When you turn in your assignments through the digital drop box on Blackboard, please make your filename of one assignment distinguishable from others. For example, your filename for spreadsheet #1 could look like spreadsheet01\_yourname.doc.

**VII. Academic Support Resources – Smarthinking, Turnitin, University College Learning Center**

**VIII. COURSE OUTLINE AND SPECIFIC OBJECTIVES**

**Due dates and times for all homework assignments will be posted on Blackboard.**

COURSE OUTLINE	
WEEK	CHAPTER AND TOPIC
1	Chapter 1: Role and Environment of Managerial Finance  Objectives:  1) Understand the alternative forms of business organization  2) Understand the agency problem  3) Identify the goal of the financial manager  4) Describe how financial markets and institutions function  5) Understand Business Taxes
2	Chapter 2: Financial Statements and Analysis  Objectives:  1) Describe the strengths and weaknesses of ratio analysis  2) Describe the important elements of the firm’s annual report
3	Chapter 3: Cash Flow and Financial Planning  Objectives:

	<ol style="list-style-type: none"> <li>1) Understand the concepts of corporate taxation and depreciation</li> <li>2) Learn how to estimate operating and free cash flows</li> <li>3) Understand the cash planning process</li> <li>4) Prepare pro-forma financial statements</li> <li>5) Understand the financial planning process</li> </ol>
3	<b>Exam I</b>
4	<p>Chapter 4: Time Value of Money</p> <p>Objectives:</p> <ol style="list-style-type: none"> <li>1) Understand the concepts of rate of return and opportunity cost</li> <li>2) Understand the concepts of present value and future value</li> <li>3) Demonstrate the ability to solve time value of money problems</li> </ol>
5	<p>Chapter 5: Risk and Return</p> <p>Objectives:</p> <ol style="list-style-type: none"> <li>1) Understand the tradeoff between risk and return</li> <li>2) Discuss the difference between systematic and unsystematic risk</li> </ol>
6	<b>EXAM II</b>
6	<p>Chapter 6: Interest Rates and Bond Valuation</p> <p>Objectives:</p> <ol style="list-style-type: none"> <li>1) Describe interest rate fundamentals, the term structure of interest rates, and risk premium</li> <li>2) Identify the general features, quotations, and popular types of corporate bonds</li> <li>3) Apply the basic valuation model to bonds and describe the impact of required return and time to maturity on bond values</li> </ol>
7	<p>Chapter 7: Stock Valuation</p> <p>Objectives:</p> <ol style="list-style-type: none"> <li>1) Differentiate between debt and equity capital</li> <li>2) Discuss the rights, characteristics, and features of both common and preferred stock</li> <li>3) Understand the concept of market efficiency and basic valuation under the dividend growth and the free cash flow models.</li> </ol>

	4) Discuss the process of issuing common stock and the stock quotations
8	<b>EXAM III</b>
8	<b>Optional Final Exam: University Scheduled Date</b>

## IX. BIBLIOGRAPHY

Elton, E. J., and M.J. Gruber. Modern Portfolio Theory and Investment Analysis, 6<sup>th</sup> ed. New York; John Wiley & Sons, 1998.

Brigham, Eugene F., and Louis C. Gapenski, Financial Management: Theory and Practice, 8<sup>th</sup> Edition, The Dryden Press, (1997).

Damodaran, Aswath, Corporate Finance: Theory and Practice, 2<sup>nd</sup> Edition, John Wiley & Sons, (2001).

Gallagher, T.J. & J.D. Andrew, Jr., Financial Management: Principles and Practices, with Finance Center Disk, 2nd Edition, Prentice-Hall, Inc. (2000).

Gitman, Lawrence J., Principles of Managerial Finance (Brief Edition), 2<sup>nd</sup> Edition, Addison-Wesley, (2000).

Damodaran, Aswath, Corporate Finance: Theory and Practice, 2nd Edition, John Wiley & Sons, (2001).

Gallagher, T.J. & J.D. Andrew, Jr., Financial Management: Principles and Practices, with Finance Center Disk, 2<sup>nd</sup> Edition, Prentice-Hall, Inc. (2000).

Thomas E. Copeland., and J. Fred Weston. Financial Theory and Corporate Policy, 3<sup>rd</sup> edition, Addison Wesley, (1988).