

FIN 3150: Managerial Finance I

<i>Instructor</i>	<i>E-mail</i>	<i>Office</i>	<i>Office Hours</i>
Helen Saar, Ph.D.	Canvas mail & saar@dixie.edu	HAZY 344	M 4 pm – 5:15 pm

Class time: M,W 5:30 pm to 6:45 pm

Classroom: HAZY 229

Pre-requisites

ACCT 2020 (Managerial Accounting)

ECON 2020 (Macro Economics)

STAT 2040 (Business Statistics)

Course description from the Catalog

Required of students pursuing majors and emphases in the School of Business. Covers fundamentals necessary to analyze financial statements, including statement of cash flows and financial ratio analysis, identifying financial management goals, time value of money, valuation, risk and return characteristics, and capital and cash budgeting.

Summary of the Class

This is introductory finance class that gives you the basic understanding of the different topics in finance from the firm's perspective. The different topics covered in class include the following:

- Role of finance in the firm.
- Financial statements and financial statement analysis.
- Time value of money and application of TVM.
- Financial asset valuation (stocks and bonds).
- Concepts of risk and return in finance.
- Capital budgeting decisions & quantitative models for these decisions.
- Capital structure, cost of capital, and working capital management.

This course follows flipped classroom format. You are expected to read the assigned textbook chapters and take quizzes **before** class. Minimal class time is dedicated to lecturing. My goal is to use most of the classroom time on practical application of the concepts and on developing financial analysis skills that you will need in future. I expect you to get actively involved by participating in discussions and solving problems on board. Classroom participation will be significant part of your course grade. So come to class prepared and ready to learn.

Udvar-Hazy School of Business Learning Outcomes (LO)

This course is intended to address the following program learning outcomes on the introductory and developmental levels:

1. A working level knowledge of the core functional areas of business:
 - A. Students will demonstrate a working level knowledge of core business functions in accounting, economics, finance, information systems, international business, legal and social environment, marketing, and management.
 - B. Students will be able to analyze a complex business situation, identify relevant business issues, opportunities and problems.
2. The ability to apply higher levels of critical thinking:
 - A. Students will be able to analyze business situations by performing appropriate quantitative and qualitative analysis, synthesize to form alternative solutions; and make recommendations for viable courses of action.
3. The interpersonal and communication skills necessary to succeed in business:
 - A. Students will deliver professional quality oral presentations
 - B. Student will prepare professional quality written presentations
 - C. Students will identify the essential elements of successful teamwork and will reflect upon their competency and experiences in applying them
4. The ability to identify and resolve ethical issues:
 - A. Students will analyze a complex business situation, identify relevant ethical issues and suggest ethical courses of action.

Course Objectives

1. Understand the basics of a career in financial management. [LO 1A]
2. Understand the role of finance within a firm. [LO 1A]
3. Know how to analyze financial statements (balance sheets and income statements). [LO 1B, 2, 3B, 3C & 4A]
4. Know how to make time-value-of-money calculations. [LO 1A & 2]
5. Know how to use a financial calculator. [LO 1A]
6. Know how to assess the value of financial assets (securities, projects and businesses) [LO 1A, 1B, 2]
7. Identify and quantify financial risk and its role in financial decision making. [LO 1B, 2, 3B, 3C & 4]
8. Know how to conduct a capital budgeting analysis. [LO 1A, 1B, 2, 4]
9. Assess ethical issues in finance. [LO 1A, 1B, 4]
10. Develop the ability to use the results from the quantitative financial analysis to make good financial decisions. [LO 1B, 2, 3]
11. Appreciate how an understanding of finance is important to your own professional development and career success, as well as how it can impact your own, personal decisions. [LO 1 & 2]

Textbooks and required readings

Essentials of Corporate Finance

by Ross, Westerfield & Jordan

ISBN: 9780078096785

Textbooks are mandatory in the class. It is important that you have either a hard copy or ebook of the textbook. The assigned chapters should be read before class. Please refer to tentative class schedule for when the readings are due.

You will also be given online readings throughout the semester. Other materials you need, will be provided by the instructor or will be available on Canvas.

If you are using McGraw Hill Connect here is the link to the section address:

http://connect.mheducation.com/class/saar_fin315of16

Canvas

As an Udvar-Hazy School of Business student you will need to have a laptop and Internet access. If you do not have Internet access at home, you can access Canvas in the library at the Holland Centennial Commons, UHB Lab 200, or at the Smith Computer Center.

Course readings, assignments and discussions will be posted on Canvas. You are to submit all assignments on Canvas by deadline. Late work is not accepted!

Calculator & MS Excel

You must have a financial calculator to get through the course. Many of the homework and exam problems involve complex financial calculations and a financial calculator is necessary to solve them. I recommend **Texas Instruments BA II Plus**. It is your responsibility to familiarize yourself with the user's manual of your calculator!

I do not suggest using financial calculator apps for the smart phone, as phones or tablets will not be allowed during the exams!

Access to MS Excel is necessary. You can use computer labs. There are several open labs in Hazy building and at Holland building. Course project requires to work in Excel. If you need help with Excel *Financial Analysis with Microsoft Excel* by Mayes is a great text to help you brush up your Excel skills. You are also welcome to come and see me during office hours.

Class Notes and Assignments

Lecture notes, external readings, and assignments can be downloaded from *Canvas*® .

Quizzes and Project deadlines will be posted on *Canvas*® and need to be taken or turned in on *Canvas*® by the assigned deadline. Assignment deadlines will NOT be changed. **Late work is NOT accepted!**

Online discussions that count for 10% of your course grade will be on Packback platform.

More about them in class and below in Syllabus.

What I Expect of You

I will come to class prepared with application problems and ancillary material. It is your responsibility to read the assigned chapter before class and do your own research on the topics outside of class. Come to class prepared with questions. I find that students that only make a cursory review of the chapter struggle with following the topics in class and following the discussions and in-class problems/cases.

- **Come prepared for every class!** Preview the chapter, complete the reading assignment, attempt the homework and come with questions. I reward the curious student.
- Come to class. **Participate** in class discussions and online discussions on Packback platform.
- Form or join and participate in a **study group**.
- Do all the assigned readings, homework assignments, and suggested study problems and questions in a **timely manner**.
- Come in during **office hours** or make an appointment whenever you're having difficulty or have questions you would like to discuss outside of class.

Course Assignments

Problem Sets

I teach a flipped classroom and most of our class time will be spent on solving problems and cases. But that may not be sufficient to master the topics. It is beneficial to solve as many exercises, questions and problems at the back of each chapter as possible.

I will recommend some problems from the back of the chapter to work at home. These problems will **NOT** be graded. The way to get high grade in the class is to work through these problems after class. If you start early you can take notes and **ask questions in class**. I encourage you to **work in a study group** helping each other solve the end of chapter problems.

Quizzes

Quizzes will be posted on Canvas. They are designed to check if you have read the chapter and know the key terms and definitions. You can take quizzes 3 times and the highest score will be kept. Quizzes should be taken before we cover the material in class, so we can dedicate more class time to application of the concepts. Quizzes are generally up on Canvas at least one week before deadline. Canvas will not allow you take quizzes late, so manage your time accordingly. One of the lowest graded quizzes will be dropped.

Class Participation

Getting actively involved in class during lectures. You can do that by answering questions asked by instructor or raising questions that are related to the class topic. You can also follow current news and bring to class news articles that are related to the topics in this class. Volunteering to solve in-class problems on the board helps you earn participation points also.

Online Discussions on Packback

The **Packback Questions** platform will be used for online discussion about class topics. Packback Questions is an online curiosity community where you can be curious, and ask the BIG questions about how what we're studying relates to life and the real world.

In order to be an active member and receive credit, please **Ask 1 Question and 2 Answers per week** relevant to our class subject matter per week for at least nine weeks of the semester! There will be a Saturday 11:59 PM deadline for submissions in your community each week.

To start posting on Packback Questions:

1. Navigate to <https://Packback.co/questions> and click "Register as a new student".
2. Make sure to register with your SCHOOL email address and real first and last name.
3. Enter our class community's access code into the "Join a new Community" module.
Our Community access code: **58E0E03B-BB4F-5FEC-8529-036EDE964A5B**
4. Follow the instructions on your screen to finish your registration, and then click into our class Curiosity Community.

Exams

There will be three exams: two mid-term exams and a final exam. The exams will not be comprehensive. Each exam will consist of a combination of objective (multiple choice) questions and analytical problems. You must have a written medical excuse to be absent from the exam.

Group Project

Group project is designed to give you a real-world experience of analyzing two publicly listed companies in the same industry. Your analysis will assess these companies from the perspective of potential investor. You will analyze both historical accounting information and historical equity market information to form your recommendation about these two companies. The detailed description of the group project is given when we cover respective topics.

All group work will be **SELF-MANAGED**. You are to let me know who worked on the project. Feedback is anonymous and I will not inform your group members of your feedback. Group members **not** contributing to the project will receive **zero** points for the assignment.

You will work on the Group Project throughout the semester. Project has two main parts, each of which has an Excel component where you do your analysis of historical financial information and a Word document where you write up your analysis results. In total there will be 5 submissions for the project. The final product at the end of semester should be a professional report addressed to a potential investor who is deciding investing between two publicly listed companies that operate in the same industry.

Course Grade

Your course grade will be based on the total points accumulated on the various assignments completed. The following weights pertain to those assignments:

◆ Attendance:	5%
◆ Quizzes:	10%
◆ Discussions on Packback:	10%
◆ Class participation:	5%
◆ Group Project:	25%
◆ <u>3 Exams (15% each):</u>	<u>45%</u>
	100%
◆ <u>Extra Credit assignments:</u>	<u>3%</u>
	<u>103%</u>

The letter grades will be assigned as follows:

93% and up – A	83.0-86.9% – B	73.0-76.9% – C	63.0-65.9% – D
90.0-92.9% – A-	80.0-82.9% – B-	69.0-72.9% – C-	60.0-62.9% – D-
87.0-89.9% – B+	77.0-79.9% – C+	66.0-68.9% – D+	Below 60% – F

Class Rules and expectations

Students who attend class, come to class prepared, and participate tend to do better in this class. This class requires you to take active role in your learning. Come to class prepared and get involved. It is my responsibility as an instructor to manage the classroom environment to ensure a good learning climate for all students. I expect you to help by doing the following: (1) turn off your cell phones; (2) do not talk when the presenter is talking; (3) speak and act respectfully to the fellow students; (4) use your laptop or tablet for class purposes only; and (5) please be on time to class!

Student Rights and Responsibilities Policy:

<http://catalog.dixie.edu/codeofstudentrightsresponsibilities/>

Disability Accommodations

If you are a student with a medical, psychological, or learning disability or think you might have a disability and would like accommodations, contact the Disability Resource Center (652-7516) in the North Plaza and inform me at the **beginning** of the semester. The Disability Resource Center (<http://dixie.edu/drcenter/>) will determine eligibility of the student requesting special services and determine the appropriate accommodations related to their disability.

Academic Integrity

In order to ensure that the highest standards of academic conduct are promoted and supported, students must adhere to generally accepted standards of academic honesty, including but not limited to, refraining from cheating, plagiarizing, falsification, misrepresentation, and/or inappropriately collaborating. The University shall hold students accountable for instances of academic dishonesty and apply appropriate consequences. Refer to **Student Rights and Responsibilities Policy, Section 4 part XI** for detailed definitions about student misconduct: <http://catalog.dixie.edu/codeofstudentrightsresponsibilities/> .

Title IX Statement

DSU seeks to provide an environment that is free of bias, discrimination, and harassment. If you have been the victim of sexual harassment/misconduct/assault we encourage you to report this to the college's Title IX Director, Cindy Cole, (435) 652-7731, cindy.cole@dixie.edu. If you report this to your instructor or the teaching assistant, she or he must notify the DSU Title IX coordinator about the basic facts of the incident.

Additional Resources

Additional Syllabus Information: <https://academics.dixie.edu/syllabus/>

Library: <http://library.dixie.edu>

Writing Center - http://new.dixie.edu/english/dsc_writing_center.php

Testing Center - <http://dixie.edu/testing>

Tutoring Center - <http://dsc.dixie.edu/tutoring/>

Career Center - <http://career.dixie.edu/>

The Office of Ombuds: <http://ombuds.dixie.edu/>

Tentative Class Schedule

Week	TOPICS	ASSIGNMENT DUE	READINGS
1	Introduction Overview of Financial Management	Project Part 1A	Ch. 1
2	Financial Statement Analysis		Ch. 2 & Ch. 3
3	Labor Day Financial Statement Analysis		Ch. 3 continued
4	Time Value of Money	Project Part 1B	Ch. 4 & 5
5	Time Value of Money & Personal Finance	Project Part 1C	Ch. 5 continued
6	Interest Rates & Bonds		Ch. 6
7	Bond Valuation	Mid-term Exam 1 Ch. 1-5, interest rates	Ch. 6 continued
8	Stock Valuation		Ch. 7
10	Stock Valuation		Ch. 7 continued
11	Risk & Return		Ch. 10
12	Diversification	Project Part 2A	Ch. 11
13	Capital Budgeting	Mid-term Exam 2 Ch. 6, 7, 10, 11	Ch. 8
14	Capital Budgeting Thanksgiving		Ch. 9
15	Cost of Capital Capital Structure	Project Part 2B	Ch. 12 Ch. 13
16	Working Capital Management		Ch. 16
17	Final Exam: Ch. 8, 9, 12, 13, 16		