

Course Syllabus - Finance 411
Financial Management II –Spring 2009

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Office Hours: I will be available from 9 am to 5 pm, M-F, except when in class, in a meeting or, of course, by appointment.

Catalog description: Further study of theoretical concepts and analytical techniques of business finance. Particular emphasis on working capital management.

Prerequisites: FIN 311 (Business Finance) (Which also implies ATG 211 & 212, ES 101 and IS 191 are completed). These are required prerequisites.

The PC is used in this course; certain assignments and the computer projects **must** be completed using a spreadsheet and a word processing program. Students enrolling without fundamental skills in these courses and software may find the course difficult and time consuming. Students are expected to make their own arrangements to review and learn the course material and software programs.

Note: Use of a calculator is highly recommended for the problems and exams. If selecting a calculator at this time, a financial calculator is recommended. (Two recommendations are the HP-10B and the TI-BAll Plus)

Text: Ross, Westerfield, Jaffe, *Corporate Finance*, 8th Ed., McGraw-Hill Irwin Publ., 2008
Wall Street Journal: Regular reading of the WSJ is **required**. Semester subscriptions to this publication will be available on a student discount basis.

Course Objective: To introduce the business student to the tools and techniques of decision making in finance. Upon completion of this course, students should:

1. Understand the concepts and techniques of short-term financial planning, cash management, credit management, and working capital management.
2. Understand the concepts and techniques of utilizing options, warrants, convertibles, and other derivatives in corporate risk management and financial decision making
3. Understand the techniques for assessing bankruptcy and merger analysis.
4. Proficiently analyze, interpret, and present financial information so one can make effective and informed business decisions. Utilize technology in the corporate decision making process.

Attendance is required and students are held responsible for all materials and assignments made in class. Also, in order to participate in class discussions, students must be attending class. Since there are so few class sessions and participation is so important, any student that misses two or more classes will be penalized one course letter grade.

Grading:	Midterm Exam	150
	Final Exam	150
	Wall Street Journal Assignment	20
	Computer Projects	80
	Individual Quizzes	50
	Group Quizzes	50
	Macro Project	50
	Class preparation and participation	<u>25</u>
	Total Points	575 points

The final course grade will be determined on a straight percentage basis, as follows: 90-100% = A, 80-89% = B, 70-79% = C, 60-69% = D, and below 60% = F. Grades will not be rounded up and grades will not be curved. Also, no extra credit projects are allowed under any circumstances.

The **ethical** implications of financial decisions and current financial issues will be discussed as each topic is covered. **International** topics are covered throughout the text and will be integrated into the course during the semester.

Exams: Two midterm exams and a final exam covering the previous period's material will be given. The final exam will only be comprehensive for those missing one of the midterm exams. No make-up exams will be given. Students are expected to take each exam at its scheduled time. Otherwise, no credit will be given for the exam.

Homework problems and reading assignments will be assigned on a regular basis. The homework will not be collected, although you are responsible for completing the homework by the due date. Since the exams consist primarily of problems, failure to work the homework problems will result in poor exam performance.

Quizzes: Group and individual quizzes will be given on a regular basis. The quizzes will cover the material in the chapter assigned (about to be covered) and the homework assignments previously due. You are responsible for all quizzes given and there will be no make up quizzes. You will forfeit the quiz points if you miss a group or individual quiz.

Macro Assignments: Once during the semester project teams will be assigned a Macro Project. Each team will turn in an electronic version and a hardcopy printout of the project. These projects will also be presented in class on the last day of class. Grades will be based on efficiency in programming, originality, creativity, and presentations.

Group Participation: Group members will evaluate each other's performance at the end of the semester. Up to 50% of your quiz points can be affected by the peer evaluations.

Class Participation: As indicated above, part of the grade will be based on class preparation and participation. Each student will be responsible for adequately preparing for each class and will be expected, over the semester, to make a positive contribution to class discussion. You must attend class regularly to receive credit for class participation. Do not assume the class participation grade is a given, to receive full credit you must attend class and participate regularly.

Computer Projects: Several computer spreadsheet projects will be assigned during the semester. When an assignment is due, all of the following materials are required: printout of written report (if required), printout of spreadsheet, and printout of spreadsheet cell formulas. The assignments are individual projects and all work turned in must be your own. Students caught copying others work will be given a zero for the assignment. Late projects will not be accepted. Projects are considered late after the start of the class in which they are due. Also, you are considered sophisticated computer users, so "the dog ate my homework" excuses are not acceptable. Back up your work frequently, use virus protection, and don't wait until the last minute to print your assignment.

Ethical Conduct: The Honor System and student conduct code will be upheld in its entirety. You will be given an F for the class or expelled, as applicable. Cheating in any form will not be tolerated and all cases will be referred to the Honor System Council.

Professionalism: The expectation for this course is that all students will have the same professional attitude as would be required in your "after graduation" full-time professional positions. This includes showing respect for the professor and your fellow students, being on time to class, turning in your work on time, and turning in complete professional looking assignments. Turn off your cell phone. You will be evaluated in this class as you would be in the work environment. In your professional life, if you are consistently late, turn in sloppy or incomplete work, or have a poor attitude, you will be given unsatisfactory work evaluations. Please consider this in your approach to this course. Also, as would be expected in your professional life, there is no extra credit or "do overs" on exams or assignments. As your professor and mentor in this course, I am available during and outside of office hours to answer your questions and help with your assignments. I am also easily contacted by email.

Course Outline

<u>Topic</u>	<u>Chapter</u>	<u>No. of Weeks</u>
Introduction		
Short-Term Finance & Planning	26	1
Cash Management	27	2
Credit Management	28	2
Capital Budgeting Risk Analysis	8	2
Midterm Exam 1		
Options: Basic Concepts	22	2
Options: Extensions & Applications	23	2
Warrants and Convertibles	24	1
Derivatives and Hedging Risk	25	1
Summary and Conclusions		

Final Exam –Monday April 29, 2009 – 12:00-1:15

Project Presentations – Tuesday May 5, 2009 9:00-11:00 am

Homework problems and reading assignments will be assigned as the semester progresses.

Wall Street Journal Assignment: There will be one Wall Street Journal Assignments this semester. Requirements for the **presentation and write-up** are as follows:

- Each group must sign up for one presentation. We will have presentations once a week. This assignment will be written and presented by your group.
- Find a WSJ article that relates to the current or previous chapter's material that has been covered in the previous two weeks. The article must also be current (within the previous two weeks). Only use articles from the front page of Section C of the Wall Street Journal. Do not use articles titled "Monday's (or any other day) Markets." Do not use the on-line version of the WSJ, only use the print edition. **Your article must be approved in advance by Dr. Michelson.**
- Prepare a one-page, typed, double-spaced write-up of the article using normal margins and font. The write-up should summarize the article, discuss how it relates to our current topics in class, and explain your opinion or interpretation of the article.
- Presentation should be brief (about 5-10 minutes) and include a summary of the article and how it relates to our current topics. One or two questions should be prepared to motivate class discussion.
- The class is expected to participate in a discussion of the article.
- A portion of the course grade will be based on this presentation. Participation by the class during discussion will also be evaluated in the course participation grade. Exam questions may also come from some of the articles that are discussed.
- At the conclusion of the presentation (the day you present) you must turn in a copy of the WSJ or Barron's article and a typed copy of your summary of the article (about one page).
- You will lose points for not following these rules (print edition only, turn in copy of article, turn in copy of write-up, everyone must present, and have class discussion questions, etc.).