2012

FINC 600-81 Managerial Finance

Julie Cagle
cagle@xavier.edu

Follow this and additional works at: https://www.exhibit.xavier.edu/finance_syllabi_summer_2012

Recommended Citation
https://www.exhibit.xavier.edu/finance_syllabi_summer_2012/4

This Restricted-Access Syllabus is brought to you for free and open access by the Finance Syllabi 2012 at Exhibit. It has been accepted for inclusion in Finance Syllabi Summer 2012 by an authorized administrator of Exhibit. For more information, please contact exhibit@xavier.edu.
Managerial Finance, FINC 600-81 (5/14 – 6/8/12)
Summer 2012

Instructor: Julie Cagle
Office Hours: by appointment
Office: SMH 229
Office Phone: 513-745-3103, Home phone: 513-779-5121
Course Meeting Time: MWF 6-9:25
Course Location: SMH 349
FAX: 513-745-4383
E-mail: cagle@xavier.edu

Course Materials: Corporate Financial Management, 4th edition, by Emery, Finnerty and Stowe. End of chapter solutions and other materials are in Blackboard (URL blackboard.xavier.edu). A financial calculator is required. The calculator cannot be one that can store text (no graphing calculators). The Texas Instruments BAII Plus Professional is suggested.

Prerequisite: FINC 500: time value of money, valuing stocks and bonds, risk and return, basic capital budgeting, basic capital structure, raising capital, financial statements and financial ratios

Given the condensed nature of the summer course, students’ knowledge of prerequisite material must be ready to be applied and students should have good quantitative skills. Also, students should have the flexibility in their schedule to allow 2-3 hours outside of class for each hour in class. Note we spend 10 hours per week in class, so this implies another 20-30 hours per week beyond class time.

Mission of the Williams College of Business: We educate students of business, enabling them to improve organizations and society, consistent with the Jesuit tradition.

Course Objectives: This course is designed to build on the knowledge of capital budgeting and capital structure developed in FINC 500 and introduce new topics to provide students with a foundation for understanding the impact of managerial decisions on the value of their organizations. In a basic finance course there are generally “right” answers and things tend to be black and white. In this advanced Managerial Finance course we will focus on how managers make decisions in practice and there will rarely be “right” answers. However, there are well thought out recommendations that can be justified based on financial principles. Investment and financing decisions (including working capital management) are explored with greater emphasis on the roles of agency conflicts and contingent claims (options). Risk management and leasing are introduced. Ethics in finance is addressed.

Course Format: The typical class meetings will include a discussion of the current reading assignment and developing minicase solutions in teams. Suggested problems and questions are identified for each chapter in the Course Calendar and solutions are available via Blackboard. Students should compare their solutions to the solutions manual and email the instructor or bring up any questions in class. Students are relied on to raise questions about the suggested problems when they do not understand something. PowerPoint Presentations that summarize the main points of a chapter are also provided in Blackboard. It is a good idea to bring your text and calculator to each class meeting. Again, this course deals with the “gray” areas of financial management of corporations. Students’ experiences provide valuable information on practice. Class discussions will lead us to “good answers” in place of “right answers”. Thus, participation AND preparation are critical.

Xavier University policies regarding privacy rights, incomplete work and attendance, and academic honesty will be strictly enforced. Please see the current University catalog for more on these policies.
**Attendance Is Required:** A student missing more than twenty percent of course meetings will not receive credit for the course, unless illness or other serious conditions contribute to absence. The instructor reserves the right to determine what qualifies as excused absenteeism.

**Academic Honesty:** If an incident of academic dishonesty occurs, the most severe disciplinary action will be taken. All assignments must be done individually unless directed to work with others by the instructor. Discussing an individual assignment with anyone other than the instructor is considered academic dishonesty.

**Performance Evaluation:** Course grades will be determined as follows:

Exam 1,2,3  33.33% each

A standard grading scale is used: 90% and above A, 80-89% B, 65-79% C, below 65% F

+ or – may be added to these letter grades depending on the distribution of course grades. Please refer to the Graduate Grading System in the University catalog.

**Exams:** Exams will be a mixture of essay questions, multiple choice questions, and problems. Partial credit is given on exams and all work must be shown on the problems. An equation sheet with the equations from the text will be provided for the exam (see equation summaries at the end of each chapter). A study guide for each exam identifying topics and problems that may be included on the exam is posted in Blackboard.

**Minicases:** The minicases are in the text at the end of the indicated chapter. Each student will complete the minicase independently outside of class and bring two copies of their work to class, one of which will be turned in to the instructor and the other to be kept by the student to be used as an aid for a team solution to the minicase. On the date identified in the course calendar teams formed by the instructor will complete the minicase. Until working with the assigned team, students should not discuss the minicase with anyone other than the instructor or it is considered academic dishonesty. A team grade will be assigned, but the instructor may replace this with an individual grade depending whether the individual solution is of the quality to suggest they could contribute sufficiently to a team solution. Minicase notes are posted in Blackboard to clarify and sometimes modify questions. Students should consult these notes. The three minicases act as bonus points for each of the three exams.

**Questions Regarding Grading:** Any questions regarding grading of assignments or exams must be addressed within one week of return of the graded assignment or exam to the student.

**Make-Up Exams:** All exams must be taken on the date specified in the course calendar unless approval of a make-up exam is granted PRIOR to that date by the instructor. Without prior approval, make-up opportunities are limited to documented emergencies. The instructor discretion is used in determining whether a situation constitutes an emergency. All assignments are to be done individually unless otherwise instructed. Discussing the assignment with someone other than the instructor prior to submitting it is considered academic dishonesty.

**Extra Credit:** All students in the class will have the same opportunity to earn points.
<table>
<thead>
<tr>
<th>DATE</th>
<th>TOPIC</th>
<th>SUGGESTED PROBLEMS*</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/14</td>
<td>Review: TVM (Ch. 4) and Stocks and Bonds (Ch. 5), Risk and Return (Chs. 6&amp;7) &amp; Bring financial calculator</td>
<td>Handout Ch. 4 &amp; 5</td>
</tr>
<tr>
<td>5/16</td>
<td>Review: 6&amp;7 cont. and Options (Ch. 12)</td>
<td>Handout Ch. 6&amp;7; Ch.12:Q 4,9;P B5,C1,C2</td>
</tr>
<tr>
<td>5/18</td>
<td>Ch.12 cont., Derivatives (Ch. 13)</td>
<td>Ch.13:Q 7,9,10;P B5,B8,B12,B15 &amp; Ch. 12 minicase due</td>
</tr>
<tr>
<td>5/21</td>
<td><strong>Exam 1</strong> (Chapters 4 - 7, 12 -13)</td>
<td></td>
</tr>
<tr>
<td>5/23</td>
<td>WACC (Ch. 8) &amp; Capital Budgeting Tech. (Ch. 9)</td>
<td>Ch.8:P A1,A8,A9,B6</td>
</tr>
<tr>
<td>5/25</td>
<td>Ch. 9 cont., Cash Flow Estimation (Ch. 10)</td>
<td>Ch.9: P A5,A8,B8,B9,C1,C2 &amp; Ch. 8 minicase due</td>
</tr>
<tr>
<td>5/28</td>
<td><strong>Memorial Day – No class</strong></td>
<td></td>
</tr>
<tr>
<td>5/30</td>
<td>Ch. 10 cont. &amp; Leasing (Ch. 21)</td>
<td>Ch.10: P B5,B6,B8,B9,B13,C1,C3</td>
</tr>
<tr>
<td>6/1</td>
<td><strong>Exam 2</strong> (Chapters 8-10)</td>
<td></td>
</tr>
<tr>
<td>6/4</td>
<td>Ch. 21 cont., Capital Structure (Ch. 16 &amp; 17)</td>
<td>Ch. 21:Q 2,3,7;P A3,B4 Ch.16:Q 7,8,11,12;P A1,A3,B1,B3</td>
</tr>
<tr>
<td>6/6</td>
<td>Ch. 17 cont. &amp; Dividends (Ch. 18)</td>
<td>Ch.17:Q 1,5,8;P A6,B1, B11 Ch.21 minicase due</td>
</tr>
<tr>
<td>6/8</td>
<td><strong>Exam 3</strong> (Chapters 16 -18 &amp; Ch. 21)</td>
<td>Ch.18:Q 2,3,4,9</td>
</tr>
</tbody>
</table>

*Suggested end of the chapter questions and problems are for student practice and are not to be turned in for grading.