

2012

FINC 401-01-02 Financial Management

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Financial Management, FINC 401-01 and 401-02
Fall 2012

Instructor: Julie Cagle
Office: SMH 229
Time: MWF 12:30-1:20; 1:30-2:20
Course Meeting Location: SMH G29

Office Hours: M 2:30-5:30, WF 11-12 & W 2:30-3:30
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Materials: Customized edition of *Intermediate Financial Management*, by Brigham and Daves, 11th edition, Financial Calculator (Texas Instrument BAII Plus or BAII Plus Professional); web extensions & end of the chapter question and problem solutions in Blackboard. Aplia online assignments. See access information on the last page of the syllabus.

Prerequisite: The course prerequisite of FINC 300 will be strictly enforced. If students have not met this requirement they will be dropped from the course.

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

Course Objectives: This course is designed to build on FINC 300 by exploring managerial issues related to investment and financing decisions and working capital management for large organizations. The course also introduces special topics such as real options, derivatives, and risk management as well as familiarizing students with use of a financial calculator. Ethics in finance is explored with emphasis on the recent credit crunch and subprime mortgages.

Student Learning Outcomes: After completing this course students should be able to:
Discuss agency relationships in corporations (ethics and social responsibility); estimate values using the discounted cash flow model (critical thinking); estimate a cost of capital (critical thinking); evaluate investment (including real options), capital structure, dividend, and working capital decisions (critical thinking); discuss the risk management process and ethical issues in corporate finance (ethics and social responsibility, critical thinking).

Course Format: The class will be a mixture of lecture, discussion and problem solving.

Students should prepare for class meetings by:

1. Reading the assigned chapter(s) and case(s) prior to the class in which they are assigned. This is necessary to be able to participate in discussions and group problem solving.
2. Practicing problem solving with end of the chapter problems.
3. Checking the solutions to the problems in E-reserves and ask questions when necessary. The instructor relies on student feedback to determine which end of the chapter problems should be worked during class meetings.
4. Printout the PowerPoint outlines from E-reserves and bring to the scheduled class. The pace of the classes too fast for complete note taking, so use the PowerPoint outlines provided and annotate with your own notes.

5. Bringing the financial calculator and textbook to each class meeting.

A standard **grading scale** is used: 90% and above A, 80-89% B, 70-79% C, 60-69% D, below 60% F. + or – may be added to these letter grades depending on the distribution of course grades. Please refer to grading system in the University catalog.

Performance Evaluation: Course grades will be determined as follows:

Exam 1	25%	Apilia Assignments	10%
Exam 2	27.5%		
Exam 3	27.5%	Participation	10%

Exams: Exams are made up of multiple choice questions, essay questions (written communication) and problems. Students must show work on the problems to receive credit. If the equations and algebra used to arrive at a solution or calculator inputs are not shown, no credit will be granted. Using a cell phone during the exam/quiz will result in a grade of zero for the exam/quiz.

Participation grade: Student names are randomly drawn to review from the prior class or to introduce the day's material. Grade for participation is based on quality and quantity of responses. This builds on oral communication skills.

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: Xavier University policies regarding privacy rights, incomplete work, and academic honesty will be strictly enforced. If an incident of academic dishonesty occurs, the most severe disciplinary action will be taken. Consult the Xavier catalog on these policies. All assignments are to be done individually unless otherwise instructed. This means discussing the assignment with anyone other than the instructor is considered academic dishonesty.

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.

Extra Credit: All students in the class will have the same opportunity to earn points.

Make-up Exams: All exams must be taken on the date specified in the course calendar unless PRIOR approval of a make-up exam is granted by the instructor. Otherwise, make-up opportunities are limited to documented emergencies according to instructor discretion.

TENTATIVE Course Calendar

<u>Date</u>	<u>Topic(s) of Coverage (Chapters)</u>	<u>Suggested End of Chapter Problems</u>
8/22	Introduction & Governance (pages 374-381 in Ch.11))	
8/24	Governance cont.	
8/27	Governance cont. & TVM Review	TVM Handout
8/29	TVM cont.	
8/31	TVM & Risk and Return review (Ch. 2 & Ch. 3)	2: Q 3,5; P 4,7,9 3: Q2,P4,8a&b
9/3	No class – Labor Day	
9/5	Ch. 2 & 3 cont.	
9/7	Ch. 2 & 3 cont. & Bond valuation review (Ch. 4)	4: Q 2,3,4; P 7,8,16,17
9/10	Ch. 4 cont.	
9/12	Ch. 4 cont. & Stock valuation review (Ch. 5)	5: Q 2; P 4,5,9,11,19
9/14	Ch. 5 cont. (Apilia Ch. 2, 4 & 5 due 9/15)	
9/17	Apilia Review	
9/19	Exam 1(TVM review, chapters 2-5 and Governance)	
9/21	Financial Options (Ch. 6)	6: Q2,3;P1,3,4,5,6,7
9/24	Ch. 6 cont.	
9/26	Cost of Capital (Ch. 10)	10: Q 2,3,4,5; P 3,4,9,10,15,16,17
9/28	Ch. 10 cont.	
10/1	Capital Budgeting Techniques (Ch. 12)	12: Q 2,4,5,6; P 7,8,10,13,16,21,22
10/3	Ch.12 cont. & Web extension 12B	
10/5	Ch. 12. Cont.	
10/8	Cash Flow Estimation/Risk (Ch. 13)	13: Q 5,6; P 4,6,7,8
10/10	Ch. 13 cont.;	
10/12	Fall Holiday	
10/15	Ch. 13 cont.	
10/17	Real options (Ch. 14)	14: Q 3,4; P 2,3,5,7
10/19	Ch. 14 cont. (Aplia Ch. 6, 10,12,13,14 due 10/20)	
10/22	Aplia Review	
10/24	Exam 2 (Chapters 6, 10, 12, 13, 14)	
10/26	Exam 2 Cont.	
10/29	Capital Structure (Ch. 15&16)	15: Q 3,8; P 3,4,8,9,12;16: P 4,5,6
10/31	Ch.15 & 16 cont.	
11/2	Ch. 15 & 16 cont.	
11/5	Ch. 15 & 16 cont.	
11/7	Dividends Ch. 17	17:Q 2,3; P 2,5,9,10
11/9	Ch 17 cont.	
11/12	Ch.17 cont.	
11/14	Ch. 21 (Current Asset Mgt.)	21:Q 2,5; P 3,12,13

11/16	Ch. 21 cont.	
11/19	Ch.21 cont. & Ch. 22 Current Liab.	22: P 3,6,7
11/21	No Class - Thanksgiving	
11/23	No Class – Thanksgiving	
11/26	Ch. 22 cont.	
11/28	Derivatives and Risk Mgt. (Ch. 24)	24: Q 2,6; P 3,4,5
11/30	Ch. 24 cont. (Aplia Ch. 15,16,17,21,22,24 due 12/1)	
12/3	Ch. 24 cont.	
12/5	Aplia Review	
12/7	Wrap up	
12/12	Final-Exam 3 section 01 (12:30) 1:00	Final exam material: Chapters 15-17, 21, 22, 24
12/14	Final-Exam 3 section 02 (1:30) 1:00	

Aplia Registration

1. Connect to <http://login.cengagebrain.com/>
2. **If you already have an account, sign in.** From your Dashboard, enter your course key (**U3EH-5R3M-7LA8**) in the box provided, and click the *Register* button.
3. **If you don't have an account,** click the *Create a New Account* button, and enter your course key when prompted: **U3EH-5R3M-7LA8**. Continue to follow the on-screen instructions.

Have the access code from your text purchase handy for payment.

All assignments due by 11 p.m. of due date.