FINC 701 Managerial Finance

Shelly Webb
webbs@xavier.edu

Follow this and additional works at: http://www.exhibit.xavier.edu/finance_syllabi_fall_2014

Recommended Citation
http://www.exhibit.xavier.edu/finance_syllabi_fall_2014/25

This Restricted-Access Syllabus is brought to you for free and open access by the Finance Syllabi 2014 at Exhibit. It has been accepted for inclusion in Finance Syllabi Fall 2014 by an authorized administrator of Exhibit. For more information, please contact exhibit@xavier.edu.
FINC701 - MANAGERIAL FINANCE  
Xavier University  
Executive MBA Program  
Fall 2014

Professor: Shelly E. Webb, Ph.D.  
Office: 234 Smith Hall  
Phone: (513)745-2937  
E-mail: webbs@xavier.edu  
Office hours: before & after class; also by appointment

WCB MISSION: “We educate students of business, enabling them to improve organizations and society, consistent with the Jesuit tradition”

WILLIAMS COLLEGE OF BUSINESS LEARNING GOALS:
The Williams College of Business emphasizes the following learning goals across the MBA curriculum. Each of these areas will be covered in FINC701, but special emphasis will be placed on Strategic Thinking and Leadership and Critical Thinking.

1. **Strategic Thinking and Leadership:** WCB MBAs will be able to position organizations in chosen market areas, compete successfully, and satisfy stakeholders with the objective of achieving superior organizational performance.

2. **Global Perspective and Cultural Diversity:** WCB MBAs will be able to work across cultural boundaries, whether these are geographical or societal, in that they possess a recognition and appreciation of the global environment of business and an understanding and appreciation of diversity.

3. **Ethics and Social Responsibility:** WCB MBAs are able to foster an ethical climate in their roles and responsibilities in business and society.

4. **Critical Thinking:** WCB MBAs are able to clarify problems, generate and evaluate alternatives using appropriate analytical and quantitative techniques, and draw conclusions.

5. **Effective Written and Oral Communication:** WCB MBAs are proficient in written and oral communication.

COURSE LEARNING OBJECTIVES: Understand and apply financial theory to corporate finance decisions and issues in practice. Topics covered include valuation of real and financial assets, the market for corporate control, financing decisions and market efficiency, dividend policy, and capital structure.

ASSESSMENT:  

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-class exercise (group)</td>
<td>5%</td>
</tr>
<tr>
<td>Case/reading participation &amp; write-ups (individual)</td>
<td>5%</td>
</tr>
<tr>
<td>Case/reading participation &amp; write-ups (group)</td>
<td>5%</td>
</tr>
<tr>
<td>Capital Budgeting Project (group)</td>
<td>15%</td>
</tr>
<tr>
<td>Valuation Project (group)</td>
<td>20%</td>
</tr>
<tr>
<td>Exam 1</td>
<td>25%</td>
</tr>
<tr>
<td>Exam 2</td>
<td>25%</td>
</tr>
</tbody>
</table>
ACADEMIC HONESTY: Using any work that is not your own, giving permission to use your work, or using any unauthorized information throughout the semester will result in a failing grade in the course and possible expulsion from Xavier University. All students are expected to adhere to Xavier’s Academic Honesty policy as set forth in the Catalog.

STUDENTS WITH DISABILITIES: Anyone who feels he/she may need an academic accommodation based on the impact of a disability (e.g.: sensory, learning, psychological, medical, mobility) should contact me to arrange an appointment to discuss your needs as soon as possible. I rely on the Disability Services Office for assistance in verifying your eligibility for academic accommodations related to your disability. If you have not previously contacted Disability Services, I encourage you to do so at 513-745-3280 on the Fifth Floor of the Conaton Learning Commons, Room 514 or e-mail Cassandra Jones at jonesc20@xavier.edu, to coordinate reasonable accommodations.

REQUIRED TEXT, CALCULATOR, AND CASES: (1) Ross, Westerfield, and Jordan, Fundamentals of Corporate Finance, 10th edition, 2012, [ISBN 978-0-07-724612-9], (2) a number of cases, (3) financial calculator from FINC700, the Texas Instruments BA II Plus, having capability of arithmetic functions and the computation of NPVs and IRRs with uneven clash flows, (4) required readings will be posted on Canvas as they come up in the schedule.

PREREQUISITES: Students should be comfortable with topics covered in FINC700: time value of money, capital budgeting techniques, calculating cash flows, valuation of debt and equity, financial statements. Excel skills may be necessary for case analyses.

EXPECTATIONS AND COURSE REQUIREMENTS: Each class will be a mix of lecture, discussion/case discussion, and problem solving. All course supplementary materials will be available on Canvas. Please check Canvas regularly for news and announcements. Individual case write-ups and will be due at the beginning of class on the date assigned, and group case write-ups will be completed during class. More detail will be provided on Canvas.

Exams cover assigned materials and topics covered in class and consist of essay questions, numerical problems, and some multiple choice. Exam dates are definite so that you may plan ahead. Only the required financial calculator will be allowed during exams, and cell phones may not be used or be visible in any way. It is your responsibility to review how to use the financial calculator well in advance of the first exam. Everyone is responsible for gathering materials covered on any missed days from at least two other students in the course. Final course grades are assigned using the following cutoffs: 94%=A, 90%=A-, 87%=B+, 84%=B, 80%=B-, 77%=C+, 74%=C, Below 70%=F. If you ever disagree with a grade you have received, please wait until the following class period before you contact me on this issue. When you do so, it is better to put in writing some concrete reasons for your disagreement. Evaluating case analyses and exam essay questions is a subjective process. I try to minimize the subjectivity by having clear expectations and applying consistent grading rules across all students, however, I cannot eliminate subjectivity. The best way to convince me is to show that I have not applied the expectations in a reliable and consistent manner.

Please turn off cell phones during class - if you need to receive or send a text during class, please do so in the hallway. Also, please use laptops for class-related activities only during class; for example - Excel spreadsheet development for cases. To ensure fairness, no extra credit work is available. Makeup exams will be available only under exceptional circumstances and if you have made arrangements with me in advance of the scheduled exam. The sooner you contact me about any scheduling problems, the better your chances of working things out.
<table>
<thead>
<tr>
<th>DATE/TIME</th>
<th>CLASS</th>
<th>TOPIC/ACTIVITY</th>
<th>cases (C), text (T), reminders</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-work 0</strong></td>
<td></td>
<td><strong>MODULE I: CAPITAL BUDGETING</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Review material from FINC700 on capital budgeting</td>
<td>T: Ch. 9, 10</td>
</tr>
</tbody>
</table>
| **S 9/6 1-5pm 1** | | Choose industry & company for projects; What-if analysis in capital budgeting; Options and corporate risk management; Trading Room intro | T: Ch. 11, 24  
**In-class exercise** (to be distributed in class) |
| **F 9/12 1-5pm 2** | | Options and corporate risk management; Real options | T: Ch. 24 |
| **F 9/26 1-5pm 3** | | Real options case  
**MODULE II: FINANCIAL POLICY** | C: Gerber (will post on Canvas)  
T: 16, 17 |
|            |       | Capital structure  
Three readings on Canvas |  |
| **S 10/4 1-5pm 4** | | **EXAM 1 – 1-2:30pm** | T: 17 |
|            |       | Dividend policy  
Capital IQ in Trading Room, 3-5pm |  |
| **F 10/10 8-12pm 5** | | Eight readings on Canvas  
Finish up dividend policy; case | Dividend case – in class synthesis of readings |
| **F 10/10 1-5pm 6** | | **MODULE III: VALUATION** |  |
|            |       | Review stock valuation from FINC700 ahead of time (slides 1-4, 31-50; video on Canvas);  
Presentations – capital budgeting project (1-3pm)  
Work on ratio analysis and valuation model in Excel; Trading Room (3-5pm) | T: Ch. 8 |
| **F 10/24 1-5pm 7** | | Review material on risk and return from FINC700 ahead of time (Ppt slides 1-8); Cost of capital; Work on valuation project – Trading Room (3-5pm) | T: Ch. 13  
T: Ch. 14 |
| **S 11/1 1-5pm 8** | | Mergers and acquisitions; | T: Ch. 26  
C: M&A case – live case: TBA |
| **F 11/7 1-5pm 9** | | **EXAM 2 (1-2:30pm)** |  |
|            |       | Presentations – valuation project (2:30-5pm) |  |