2016

751-X16 Financial Strategy

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**Instructor: Dr. Shelly Webb**

E-mail: webbs@xavier.edu  
Office Phone: 513.745.2937  
Office Location: 234 Smith Hall  
Office Hours: before and after class

**Course Location:** EMBA Classroom, Smith Hall

**Course Meeting Dates:** see course calendar below for details

**Required Course Materials:** (1) Ross, Westerfield, and Jordan, *Fundamentals of Corporate Finance*, textbook from FINC750, (2) a number of cases to be provided, (3) financial calculator from FINC750, the Texas Instruments BA II Plus, having capability of arithmetic functions and the computation of NPVs and IRRs with uneven cash flows, (4) required readings will be posted on Canvas as they come up in the schedule.

**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 that support our mission are indicated below.

**Course Description:** In-depth study of finance. Topics include option pricing, capital structure, decision trees, agency conflicts, capital structure theory, dividend policy, working capital management, risk management and derivatives, and mergers and acquisitions.

**Course Format:** This course will be a mix of lecture, discussion, problem-solving, and group cases. 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. 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.

**Course Goals:** FINC751 is part of the EMBA Program Phase III - Advanced Business Focus. In this course you will 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.
Course Learning Outcomes:

**Strategic Thinking and Leadership**  
*Learning Goal:* 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.

*Corresponding Objectives:*

- Students will demonstrate the appropriate knowledge of managerial finance.
- Students will formulate business strategies utilizing their understanding of finance as it relates to the key functional areas of business.

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

*Corresponding Objective:*

- Students will recognize ethical issues and demonstrate the skills necessary to analyze information and make informed, ethical decisions in complex, conflicting or ambiguous environments or situations.

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

*Corresponding Objective:*

- Students will evaluate organizations and recommend optimal strategies and actions demonstrating their ability to understand context, frame problems and use appropriate analytical and quantitative techniques.

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

*Corresponding Objectives:*

- Clearly and professionally communicate information and concepts in writing and orally, using appropriate technology where relevant.

**Xavier University Policies:** 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:** Attendance is expected as a part of the Executive MBA Program. If you must miss class, please discuss this with me as far in advance as possible.

**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 needs 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. 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 accommodations.

**Performance Evaluation/Assessment:**

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>PERCENT</th>
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</thead>
<tbody>
<tr>
<td>Case/reading participation &amp; write-ups (group)</td>
<td>40%</td>
</tr>
<tr>
<td>Exam 1</td>
<td>20%</td>
</tr>
<tr>
<td>Exam 2</td>
<td>40%</td>
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</tbody>
</table>

**Grading Scale:** 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.

**Exams:** 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. 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.

**Cases:** All case material will be provided on Canvas. Case materials are due at the end of the corresponding class meeting.

**Make-up exams/case discussion policy:** 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.
# Tentative Course Calendar

**subject to revision – please check Canvas for announcements**

<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>S 8/6 1-5pm 1</td>
<td>Introduction to course; Option pricing</td>
<td>T: Ch. 24</td>
<td></td>
</tr>
<tr>
<td>F 8/19 8-12pm 2</td>
<td>Options and corporate risk management; Real options EXAM 1</td>
<td>T: Ch. 24 C: Gerber (will post on Canvas)</td>
<td></td>
</tr>
<tr>
<td>F 10/7 8-12pm 3</td>
<td>Readings discussion Dividend policy</td>
<td>T: Ch. 17 Dividend policy readings – in class synthesis</td>
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</tr>
<tr>
<td>S 10/22 1-5pm 4</td>
<td>Capital structure Short-term financial management</td>
<td>Dividend case – in class synthesis wrap up T: Ch. 16 T: Ch. 18 Capital structure case – in class synthesis</td>
<td></td>
</tr>
<tr>
<td>F 11/4 8-12pm 5</td>
<td>Mergers and acquisitions EXAM 2</td>
<td>T: Ch. 26 C: M&amp;A case – live case</td>
<td></td>
</tr>
<tr>
<td>F 12/2 1-5pm 6</td>
<td>Review material on risk and return from FINC750 ahead of time (Ppt slides 1-8); Cost of capital</td>
<td>T: Ch. 13 T: Ch. 14 C: Cost of Capital case</td>
<td></td>
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