

Course	FINC 5000 Finance	
Term	Fall 2, 2009	
Instructor	R. Terry Smith Phone: 472-1125; Email: tsmith2@elp.rr.com	
Catalog Description	The student examines the general nature of financial management, the American financial system, taxes, and the major financial decisions of corporations. Specific attention is given to present value and capital budgeting; risk and asset pricing; financial analysis and forecasting; financial decisions and market efficiency; and capital structure. Problem-solving methodology is used to illustrate the theories and tools in financial decision-making.	
Prerequisites	Prerequisites: BUSN 5600 and BUSN 5760. (FINC 5570 cannot be substituted for FINC 5000.)	
Course Level Learning Outcomes	Outcome	Expectation
	1. Students can determine the value of fixed income securities	Students can use equations and financial calculators to solve for all variables within the bond pricing equation.
	2. Students can determine the value of equity securities	Students can compute the value of equity using the Gordon Growth Model.
	3. Students can discuss market functioning and the role efficient markets play in security valuation	Students can identify the three levels of market efficiency, and are able to distinguish between the three when presented with a scenario.
	4. Students can evaluate capital budgeting decisions using standard methodologies	Students can employ NPV, IRR, and payback methods to analyze potential capital investments.
	5. Students can explain the impact of capital structure decisions on financial performance and the cost of capital	Students can explain the affect of varying the firm's debt and equity levels on the weighted average cost of capital.
	6. Students can identify agency problems within a corporation and formulate strategies to address them	Students can explain the conflicts of interest that exist between shareholders and managers in firms with less than 100% ownership by the manager of the firm. They can discuss a methods used by corporations (profit sharing, employee stock options, takeovers, etc.) to align manager and shareholder interests.
	7. Students can evaluate credit and interest rate risk	Students can explain the impact of interest rate risk on risk premiums. They can discuss factors which increase interest rate risk.
	8. Students can utilize financial	Students can compute ratios from the

	analysis to assess an organization's financial condition	information on financial statements. The ratios are in the categories of liquidity, profitability, market valuation, and efficiency. Students can apply the DuPont Model.																
Materials	<ul style="list-style-type: none"> • <u>Foundations of Financial Management</u>; Block and Hirt, Current Edition • Calculator • Access to Wall Street Journal &/or other business news sources. 																	
Grading	<table border="1"> <tr> <td>Research Paper –</td> <td></td> </tr> <tr> <td> Oral Presentation</td> <td>15%</td> </tr> <tr> <td> Written Report</td> <td>20%</td> </tr> <tr> <td>Exams -</td> <td></td> </tr> <tr> <td> Mid Term</td> <td>20%</td> </tr> <tr> <td> Final</td> <td>30%</td> </tr> <tr> <td>Assignments/quizzes/other</td> <td>15%</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </table> <p>Grading: 96-100 A 76-80 B-</p> <p> 91- 95 A- 70-75 C</p> <p> 86- 90 B+ Less than 70 ... F</p> <p> 81- 85 B</p> <p>The GRADUATE catalog provides these guidelines and grading options:</p> <ul style="list-style-type: none"> • A/A- Superior graduate work • B+/B/B- Satisfactory graduate work • C Work that is barely adequate as graduate-level performance • CR Work that is performed as satisfactory graduate work (B- or better). A grade of "CR" is reserved for courses designated by a department, involving internships, a thesis, practicums, or specified courses. • F Work that is unsatisfactory • I Incomplete work • ZF An incomplete which was not completed within one year of the end of the course. ZF is treated the same as an F or NC for all cases involving G.P.A., academic warning, probation, and dismissal. • IP In progress • NR Not reported • W Withdrawn from the course 		Research Paper –		Oral Presentation	15%	Written Report	20%	Exams -		Mid Term	20%	Final	30%	Assignments/quizzes/other	15%	Total	100%
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	<ul style="list-style-type: none"> • Written Presentation of Research Topic. Student will be assessed on his/her ability to investigate, compile, organize, and present information on an assigned research topic, including the ability to demonstrate the use of the APA format for written papers.
<p>Policy Statements:</p> <p>University Policies</p>	<p>University policies are provided in the current course catalog and course schedules. They are also available on the university website. This class is governed by the university's published policies. The following policies are of particular interest:</p> <p><i>Academic Honesty</i></p> <p>The university is committed to high standards of academic honesty. Students will be held responsible for violations of these standards. Please refer to the university's academic honesty policies for a definition of academic dishonesty and potential disciplinary actions associated with it.</p> <p><i>Drops and Withdrawals</i></p> <p>Please be aware that, should you choose to drop or withdraw from this course, the date on which you notify the university of your decision will determine the amount of tuition refund you receive. Please refer to the university policies on drops and withdrawals (published elsewhere) to find out what the deadlines are for dropping a course with a full refund and for withdrawing from a course with a partial refund.</p> <p><i>Special Services</i></p> <p>If you have registered as a student with a documented disability and are entitled to classroom or testing accommodations, please inform the instructor at the beginning of the course of the accommodations you will require in this class so that these can be provided.</p> <p><i>Disturbances</i></p> <p>Since every student is entitled to full participation in class without interruption, disruption of class by inconsiderate behavior is not acceptable. Students are expected to treat the instructor and other students with dignity and respect, especially in cases where a diversity of opinion arises. Students who engage in disruptive behavior are subject to disciplinary action, including removal from the course.</p> <p><i>Student Assignments Retained</i></p> <p>From time to time, student assignments or projects will be retained by The Department for the purpose of academic assessment. In every case, should the assignment or project be shared outside the academic Department, the student's name and all identifying information about that student will be redacted from the assignment or project.</p>

	<p>Contact Hours for this Course</p> <p>It is essential that all classes meet for the full instructional time as scheduled. A class cannot be shortened in length. If a class session is cancelled for any reason, it must be rescheduled.</p>										
<p>Course Policies</p>	<ul style="list-style-type: none"> • Attend Class. Class attendance is expected. • Students are encouraged to participate actively in class in regard to analysis and discussion of reading material, lecture material, problems, and cases. • Class time will be devoted to lecture, discussion, and analysis of assigned problems. Students should complete readings and assigned problems prior to class meetings. Typically, problems are due the week <i>following</i> the corresponding chapter & lecture. (For example, Chapter 2 is discussed in Week One, and the problems are due in Week Two) Written answers should be prepared for all problems. These may be collected periodically and will be instrumental in determining course grades. • Students should expect to spend substantial amounts of time, in and out of class, to keep up with readings and assignments. Frequently, there will not be sufficient time to review all assigned work & topics in the classroom. However, it is an important learning tool to attempt all tasks, and ask questions on any unclear concepts and problems. Help sessions may be scheduled on non-class days. Please ask, if needed. • Required articles may be distributed in class, be on reserve in the library, or one may be required to find the article. • Sometimes circumstances beyond one's control requires that they miss a scheduled class. If necessary, it is the student's responsibility to get any missed lecture notes or handouts. If you are unable to make it to class to turn in an assignment, make arrangements with a classmate to turn in your work &/or contact me prior to class. You are responsible for what takes place or is announced in class. 										
<p>Weekly Schedule</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td>Pre-Assignment for Week 1</td> </tr> <tr> <td></td> <td> <ul style="list-style-type: none"> • Read Chapters 1 & 2 of text. </td> </tr> <tr> <td>Week 1</td> <td> Topics: <ul style="list-style-type: none"> • Chapter 1: Introduction • Chapter 2: Review of Accounting </td> </tr> <tr> <td>Week 2</td> <td> Topics: <ul style="list-style-type: none"> • Chapter 3: Financial Analysis • Chapter 4: Financial Forecasting • Chapter 5: Operating and Financial Leverage </td> </tr> <tr> <td>Week 3</td> <td> Topics: <ul style="list-style-type: none"> • Chapter 6: Working Capital and the Financing Decision • Chapter 7: Current Asset Management • Chapter 8: Sources of Short-Term Financing </td> </tr> </table>		Pre-Assignment for Week 1		<ul style="list-style-type: none"> • Read Chapters 1 & 2 of text. 	Week 1	Topics: <ul style="list-style-type: none"> • Chapter 1: Introduction • Chapter 2: Review of Accounting 	Week 2	Topics: <ul style="list-style-type: none"> • Chapter 3: Financial Analysis • Chapter 4: Financial Forecasting • Chapter 5: Operating and Financial Leverage 	Week 3	Topics: <ul style="list-style-type: none"> • Chapter 6: Working Capital and the Financing Decision • Chapter 7: Current Asset Management • Chapter 8: Sources of Short-Term Financing
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	<p>Week 4</p> <p>Topics:</p> <ul style="list-style-type: none"> • Chapter 9: The Time Value of Money • Chapter 10: Valuation and Rates of Return • Chapter 11: Cost of Capital • Chapter 12: The Capital Budgeting Decision • Chapter 13: Risk and Capital Budgeting <hr/> <p>Week 5</p> <ul style="list-style-type: none"> • Mid Term Exam • Preparation and discussion of research reports <hr/> <p>Week 6</p> <p>Topics:</p> <ul style="list-style-type: none"> • Chapter 14: Capital Markets • Chapter 15: Investment Banking: Public and Private Placement <p>Student Presentations of Research Topics</p> <hr/> <p>Week 7</p> <p>Topics:</p> <ul style="list-style-type: none"> • Chapter 16: Long-Term Debt and Lease Financing • Chapter 17: Common and Preferred Stock Financing <p>Student Presentations of Research Topics</p> <hr/> <p>Week 8</p> <p>Topics:</p> <ul style="list-style-type: none"> • Chapter 18: Dividend Policy and Retained Earnings • Chapter 19: Convertibles, Warrants, and Derivatives <p>Student Presentations of Research Topics Written Report of Research Topic due</p> <hr/> <p>Week 9</p> <p>Topics:</p> <ul style="list-style-type: none"> • Chapter 20: External Growth through Mergers • Chapter 21: International Financial Management • Wrapup and Review <p>Take Home Final Examination due Student Presentations of Research Topics</p>

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