

Course	FINC 5000 59 Finance	
Term	Fall 2, 2009 – Camp Bullis, Texas	
Instructor	Name: Dan Davied Phone: 210-368-4018 Email: DanielDavied93@webster.edu	
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 analysis to assess an	Students can compute ratios from the information on financial statements. The ratios are in the	

	organization's financial condition	categories of liquidity, profitability, market valuation, and efficiency. Students can apply the DuPont Model.										
Materials	<p>Title: <i>Corporate Finance</i>, 8th edition Authors: Ross, Westerfield, and Jaffe, Publisher: McGraw-Hill/Irwin ISBN: 9780073337180</p> <ul style="list-style-type: none"> • Financial Calculator • Access to Wall Street Journal &/or other business news sources. 											
Grading	<table border="1"> <tr> <td>Exam 1</td> <td>30%</td> </tr> <tr> <td>Exam 2</td> <td>30%</td> </tr> <tr> <td>Problems (2 per week)</td> <td>10%</td> </tr> <tr> <td>Company Paper Analysis</td> <td>30%</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </table> <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 	Exam 1	30%	Exam 2	30%	Problems (2 per week)	10%	Company Paper Analysis	30%	Total	100%	
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Activities	<p>Two examinations (Mid-Term and Final) will be given. Each will cover text, lecture, and handout materials.</p> <p>Problems/Questions: End-of-chapter problems and questions used to reinforce key concepts. Students will submit 2 problems per week for grades (no late submittals will be accepted).</p> <p>Group Problem Solving: Examination and discussion of actual financial institution's financial statements for concepts related to course content.</p> <p>Discussion of actual/current business events: Students are expected to regularly read the Wall Street Journal or comparable business periodicals and to actively contribute to class discussions, integrating actual events with concepts covered in class.</p> <p>Company Paper Analysis is used to allow the students to find the most current information in finance to solve problems and take advantage of opportunities. The students are expected to apply the information discussed in class in addressing the problems or opportunities identified in their chosen company.</p>											

<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>Academic Honesty 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>Drops and Withdrawals 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>Special Services 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>Disturbances 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>Student Assignments Retained 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 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. • Late assignments are not accepted for any reason. All projects and assignments are provided with ample lead time to account for any issues that may arise. Illnesses that result in a missed exam will only be considered for makeup if accompanied by a doctor's note. Travel for work or TDY assignments must be proven with written documentation for consideration of makeup exams. • 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. • 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

	<p>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.</p> <ul style="list-style-type: none"> • 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 require 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.
Week 1	<p>Topics: Chapters 1, 2,</p> <ul style="list-style-type: none"> • Review of assigned reading material and discussion of research paper topic. • Chapter 1: Introduction to corporate finance and accounting statements. • Chapter 2: Time Value of Money <p>Assignment for Week 2:</p> <ul style="list-style-type: none"> • Ch. 2 P 1,2,4-11,19,20
Week 2	<p>Topics: Chapters 4, 5, 6</p> <ul style="list-style-type: none"> • Net present value, bond and stock valuation and alternative investment rules. • Chapter 4: Risk & Return Basics • Chapter 5: Risk & Return Extensions-Brief • Chapter 6: Bond Valuation <p>Due: Report on company selected for research paper.</p> <p>Assignment for Week 3:</p> <ul style="list-style-type: none"> • Ch. 4 P 1-6, 9 • Ch. 6 P 1,2,4-6,8,10,13,15
Week 3	<p>Revisit Chapters 4, 5, 6; Chapters 7, 8</p> <ul style="list-style-type: none"> • Review notes and work problems • Using NPV in analysis, strategy, and capital budgeting • Chapter 7: Stock Valuation • Chapter 8: <p>Due: Company paper analysis on management pay.</p> <p>Assignment for Week 4:</p> <ul style="list-style-type: none"> • Ch 7 P 1-6,8,9,12,15,19
Week 4	<p>Mid-term exam (Chapters 1-8, excl. 3)</p> <p>Topics: Chapter 9</p> <ul style="list-style-type: none"> • Discussion of risk vs. return • Chapter 9: The Cost of Capital <p>Assignment for Week 5:</p> <ul style="list-style-type: none"> • Ch. 9: P 1-4,9,11,12
Week 5	<p>Topics: Chapters 10, 11, 12</p> <ul style="list-style-type: none"> • CAPM , Arbitrage Pricing Theory, and Capital Budgeting, Beta • Chapter 10: Basics of Capital Budgeting • Chapter 11:

	<ul style="list-style-type: none"> • Chapter 12: <p>Assignment for Week 6:</p> <ul style="list-style-type: none"> • Ch. 10 P 1-6,12,14
Week 6	<p>Topics: Chapters 14, 15</p> <ul style="list-style-type: none"> • Long Term Financing. • Capital Structure Concepts • Due: Company paper analysis on beta and stock performance. • Chapter 14: Financial Planning • Chapter 15: Corporate Valuation <p>Assignment for Week 7:</p> <ul style="list-style-type: none"> • Ch 14 P 1-4 • Ch 15 P 2,3,4,9
Week 7	<p>Topics: Chapters 16, 17, 18</p> <ul style="list-style-type: none"> • Capital Structure, Debt, and WACC • Dividend theory • Chapter 16: Capital Structure <p>Due: Company paper analysis on capital structure</p> <p>Assignment for Week 8:</p> <ul style="list-style-type: none"> • Ch. 16 P 1,2,5
Week 8	Oral presentations of research paper topics
Week 9	<p>Topics:</p> <ul style="list-style-type: none"> • Turn in research paper. Course review. • Final exam
Additional Information	None

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