

Course	FINC 5000 Finance Section 71	
Term	Fall 1, 2008	
Instructor	Dr. Mohammed R. Ahmed Phone: (321) 454-9500 E-Mail: ahmedm@webster.edu Office Hours: 30 Minutes before class	
Catalog Description	The students examine 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 the market efficiency; and capital structure. Problem solving methodology is used to illustrate the theories and tools in financial decision-making.	
Prerequisites	BUSN 5600 and BUSN 5760. (FINC 5570 may not 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 organization's financial condition	Students can compute ratios from the information on financial statements. The ratios are in the categories of liquidity, profitability, market valuation, and efficiency. Students can apply the DuPont Model.																																
Materials	<p>REQUIRED TEXTS: Brigham and Ehrhardt, Financial Management: Theory and Practice, Thompson/South-Western, 12th Edition, 2008, ISBN: 0-324-42269-5</p> <p>A Financial Calculator is required (Texas Instruments BA II Plus or Hewlett-Packard 10B).</p> <p>SUGGESTED SUPPLEMENTAL READINGS: Wall Street Journal, Annual Financial Reports, other Financial Periodicals as available.</p>																																	
Grading	<table border="1"> <thead> <tr> <th>COURSE REQUIREMENTS:</th> <th>% OF GRADE</th> </tr> </thead> <tbody> <tr> <td>a. Class Participation</td> <td>10%</td> </tr> <tr> <td>b. Exam I (Midterm)</td> <td>35%</td> </tr> <tr> <td>c. Exam II (Final)</td> <td>35%</td> </tr> <tr> <td>d. Financial Analysis Project</td> <td>20%</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table> <p>Taking the numerical score from the formula above and converting it to the appropriate letter grade from the chart determine the student's letter grading for the course.</p> <table border="1"> <thead> <tr> <th>Letter Grade</th> <th>Numerical Score</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>96-100% (4.0)</td> </tr> <tr> <td>A-</td> <td>91-95% (3.67)</td> </tr> <tr> <td>B+</td> <td>87-90% (3.33)</td> </tr> <tr> <td>B</td> <td>82-86% (3.0)</td> </tr> <tr> <td>B-</td> <td>78-81% (2.67)</td> </tr> <tr> <td>C</td> <td>70-77% (2.0)</td> </tr> <tr> <td>F</td> <td>69 & below (0)</td> </tr> <tr> <td>I</td> <td>Incomplete (0)</td> </tr> <tr> <td>W</td> <td>Withdrew</td> </tr> </tbody> </table>		COURSE REQUIREMENTS:	% OF GRADE	a. Class Participation	10%	b. Exam I (Midterm)	35%	c. Exam II (Final)	35%	d. Financial Analysis Project	20%	Total	100%	Letter Grade	Numerical Score	A	96-100% (4.0)	A-	91-95% (3.67)	B+	87-90% (3.33)	B	82-86% (3.0)	B-	78-81% (2.67)	C	70-77% (2.0)	F	69 & below (0)	I	Incomplete (0)	W	Withdrew
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<p>Activities</p>	<ul style="list-style-type: none"> • List activities that the instructor and students will perform during the course. • Lectures • Class Discussions • Company Analysis
<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</p>

	<p>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>
Course Policies	<p>Attendance at all class sessions is expected.</p> <p>Late weekly write-ups and written case assignments will be accepted if prior arrangements have been made with the instructor, but will be given reduced points based upon the number of class sessions it is late.</p>
Week 1 Schedule	<p>PREPARATION FOR CLASS</p> <p>Read Chapters 1, and 3</p> <p>Homework: Problems: ST (Self-Test) 1-1, 3-7, 3-11, 3-12, and 3-13</p> <p>CLASSROOM DISCUSSION TOPICS:</p> <ol style="list-style-type: none"> 1. Overview of financial management, 2. Goals of the corporation, 3. Financial statements.
Week 2 Schedule	<p>PREPARATION FOR CLASS</p> <p>Read Chapter 4</p> <p>Homework: Problems: 4-8, 4-10, and 4-14</p> <p>CLASSROOM DISCUSSION TOPICS:</p> <ol style="list-style-type: none"> 1. Financial Statement Analysis, 2. Financial Markets and Institutions.
Week 3 Schedule	<p>PREPARATION FOR CLASS</p> <p>Read Chapters 6 and 7</p> <p>Homework: Problems: 6-4, 6-5, 6-9, 6-13, and 7-4</p> <p>CLASSROOM DISCUSSION TOPICS:</p> <ol style="list-style-type: none"> 1. Risk and Return Analysis,

	<ol style="list-style-type: none"> 2. Capital Asset Pricing Model, 3. Arbitrage Pricing Theory.
Week 4 Schedule	<p>PREPARATION FOR CLASS</p> <p>Read Chapter 2</p> <p>Homework: Problems: 2-10, 2-12, 2-13, 2-21, 2-27, 2-30, 2-32, and 2-33</p> <p>CLASSROOM DISCUSSION TOPICS:</p> <ol style="list-style-type: none"> 1. Time Value of Money, 2. Five basic TVM Models.
Week 5 Schedule	Exam I (Midterm Exam)
Week 6 Schedule	<p>PREPARATION FOR CLASS</p> <p>Read Chapters 5 and 8</p> <p>Homework Problems: 5-7, 5-8, 5-14, 5-18, 8-2, 8-3, 8-4, 8-7, and 8-8</p> <p>CLASSROOM DISCUSSION TOPICS:</p> <ol style="list-style-type: none"> 1. Bond Valuation, 2. Stock Valuation.
Week 7 Schedule	<p>PREPARATION FOR CLASS</p> <p>Read Chapters 9 & 10</p> <p>Homework Problems: Problems: 9-1, 9-5, 10-4, 10-6, 10-9, 10-13</p> <p>CLASSROOM DISCUSSION TOPICS:</p> <p>Options and Cost of Capital</p>
Week 8 Schedule	<p>PREPARATION FOR CLASS</p> <p>Read Chapters 11</p> <p>Financial Analysis Presentation</p> <p>Homework Problems: 11-8, 11-9, 11-10, 11-11, and 11-16</p>

	<p>CLASSROOM DISCUSSION TOPICS:</p> <p>Capital Budgeting and Company Financial Analysis</p>
Week 9 Schedule	Exam II (Final Exam)

PURCHASING TEXTBOOKS--Most textbooks can be purchased through **MBS Direct**. Check the syllabus for textbook information. Give MBS Direct the campus location (for the purpose of ordering books the campus is **Space Coast Campus**, course name, number and section number (i.e. Space Coast Campus, COMP5000/64) and most important, the **title, author, edition, and ISBN** of the book you are ordering. MBS Direct will buy back your book at the end of the term should you elect not to retain it as a reference book. Order by phone or online. Orders should be placed no earlier than 4 weeks prior to the start of the term.

MBS Direct: 1-800-325-3252

MBS Direct Website: www.mbsdirect.net/webster

Monday-Thursday, 7am-10pm (Central Time)

Friday, 7am-6pm (Central Time)

Saturday, 8am-5pm (Central Time)

Sunday, noon-4pm (Central Time)

In order to meet the course objectives this syllabus may be modified at the discretion of the instructor without approval of the students.

Original approved by:

Dr. Calvin D. Fowler Academic Dean Space Coast Region, May 7, 2008

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