

PREPARING COMPETENT AND RESPONSIBLE BUSINESS LEADERS

**THE UNIVERSITY OF AKRON
COLLEGE OF BUSINESS ADMINISTRATION**

DEPARTMENT OF FINANCE SYLLABUS

Fall, 2012

CORPORATE FINANCIAL MANAGEMENT

6400:310 – 001	BCCE 201	T/TH 10:45 – 12:00 p.m.
6400:310 – 801	CBA 130	T/TH 6:40 – 7:55 p.m.

Dr. M. Newman

THE PRIMARY MISSION OF THE DEPARTMENT OF FINANCE IS TO PROVIDE QUALITY EDUCATION TO STUDENTS THAT WILL PREPARE THEM FOR LEADERSHIP POSITIONS WITHIN THE FINANCE PROFESSION IN BUSINESS.

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Office Hours: T/TH: 3:30 p.m. – 5:00 p.m., or by appointment

◆ **Course Objective**

The objective of this course is to establish a firm foundation of financial analysis skills and knowledge of finance theory. Topics to be covered include:

1. Corporate Financial Management and Firm Performance Measures
2. Time Value of Money
3. Security Valuation
4. Capital Budgeting
5. Risk and Return Overview
6. The Cost of Capital
7. Capital Structure Policy
8. The Lease vs. Buy Decision
9. Working Capital Management:
10. Financial Planning and Forecasting

◆ **Course Prerequisite:** 6200:250 and 6200:201
Familiarity with financial statements and basic Excel functionality are assumed

◆ **Required Material**

Text: Ross, Westerfield, and Jordan, *Corporate Financial Management*, (McGraw-Hill Irwin, ISBN #9781121556218), customized version. The text is packaged with an access code for *Connect Plus Finance*, an online course management site that is imperative to your successful completion of the course.

Electronic: Access to UA e-mail address and Springboard. Course content, grades, and communication are managed almost entirely via Springboard. Use of the Discussion forums to resolve questions re: course material is strongly encouraged. Springboard content folders include:

\Course Administration: Syllabus, databases, and formula files

\Course Materials:

This folder includes all lecture notes and sample problems to be covered in class.

◆ **Recommended Material:** *The Wall Street Journal*

You can register directly online at the following link:

<https://buy.wsj.com/shopandbuy/order/subscribe.jsp?trackCode=aaahhmpg>.

Please select “Melinda Newman” as your referring professor.

◆ Grading

Performance Scale

% Score	Final Grade*
≥ 92%	A
≥ 82% and < 88%	B
≥ 72% and < 78%	C
≥ 62% and < 68%	D
< 60%	F

*Plus Grades (on the “8-9s”)/Minus grades (on the “0-1s”) will be assigned within each category

Grading Weights

Item	% Weight of Total Grade
Homework	15%
Quizzes	15%
Individual Midterm Exam: In-Class	20%
Team Midterm Exam: Take-Home	25%
In-Class Final Exam (Cumulative)	25%
Total	100%

◆ Important Dates/Information¹

University Calendar

Date	Event
09/10	Last day to drop the class
10/14	Last day to withdraw from class ²
10/18	FMA International Meeting – no class session
11/22	Thanksgiving break – no class session

Exams

Event	Date	Time
Individual midterm exam	10/04	Class time
Team midterm exam due on Springboard	10/30	Midnight
Final exam: Section 001	12/11	12:00-1:55 p.m.
Final exam: Section 801	12/11	6:00-7:55 p.m.

¹ Any disability accommodation requests should be directed to the Office of Accessibility: 105 Simmons; x7928; <http://www.uakron.edu/access/>

² Reflective of the university’s drop/withdrawal policy effective the Fall, 2011 semester. Full detail is available at: <http://www.uakron.edu/ssc/withdrawal-policy.dot>.

◆ **Administrative Policies**

1. It is the responsibility of each student to ensure that he/she is properly registered for the course. A student not registered will not receive credit or a grade for any work done in the course.
2. Academic dishonesty, as defined in the *Procedures and Requirements* section of *The Undergraduate Bulletin*, and as addressed in the *Student Code of Conduct* **will not be tolerated and will result in a failing grade (0%) for every assignment involved.**
3. All calculations in the course will be taught using Microsoft *Excel*. If you choose to use a financial calculator, you are solely responsible for knowing how to use it.

◆ **Exam Policy**

Individual Midterm and Final Exam:

An **unexcused absence** will be treated as a failing grade (0%). Excused absences should be considered an option under extraordinary circumstances only. All requests for an excused absence must be accompanied by appropriate documentation.

In the event of an excused absence for the individual midterm, **no** makeup exam will be permitted. The weight of the missed exam will be shifted to your final exam. In the event of an excused absence for the final exam, a makeup exam will be permitted. No makeup will be given prior to the time of the scheduled exam and the format of a makeup exam may differ greatly.

The midterm format is True/False, short-answer, multiple-choice, or any combination thereof. The final exam format is multiple-choice. Exam content is highly quantitative; a formula sheet including all equations covered in class is provided. Excel usage on exams is encouraged.

Team Midterm Exam:

This is a take-home exam to be done in a team of 4 students (**no exceptions**), as chosen by you. Notify the professor as soon as your team is formed so that the team dropbox necessary for exam submission is established on Springboard. Submissions may be made via the provided Springboard drop-box **only**.

You are permitted to consult written references, but your submitted analysis is to be formed **solely by your team**. Submission of work that reflects consultation with others, in whole or in part, will be treated as acts of **academic dishonesty for all submitted analyses involved**. No midterm submissions will be accepted after the designated due date and time. There is no makeup for the team midterm exam.

◆ **Reasoning for Course Design**

The material in this course is cumulative. The purpose of the homework and quizzes is to serve as self-checks of your understanding of individual concepts, so that you are alerted to possible areas of weakness and can address them immediately. My over-arching goal as your professor is to ensure you have command of the course material at the breadth and depth of complexity demanded by the profession. The cumulative final exam best aligns with testing your progress towards the goal of breadth. A case-based format is the exam structure that best aligns with testing your progress towards the goal of depth. That is the purpose of the team midterm. It is done in a team format to minimize my turnaround time in providing you graded feedback. The purpose of the individual midterm exam is to minimize free-ridership on the take-home exam, and to individualize the overall grade you receive on your midterm work.

Tentative Course Outline^a

Week	Day	Date	S-board	Topic	Corresponding Text/Connect
1	T	08/28	LN 1	Corporate Financial Management Firm Performance Measures	1,2
	TH	08/30	LN 2	Time Value of Money	5,6
2	T	09/04	LN 2	Time Value of Money	5,6
	TH	09/06	LN 2 LN 3	Time Value of Money Security Valuation	5,6 7,8
3	T	09/11	LN 3	Security Valuation	7,8
	TH	09/13	LN 3 LN 4	Security Valuation Capital Budgeting Decision Criteria	7,8 9
4	T	09/18	LN 4	Capital Budgeting Decision Criteria	9
	TH	09/20	LN 4	Capital Budgeting	10,11
5	T	09/25	LN 4	Capital Budgeting	10,11
	TH	09/27	LN 4	Capital Budgeting	10,11
6	T	10/02	LN 4	Capital Budgeting in Practice	10,11
	TH	10/04	LN 1-4	Individual Midterm Exam	Cumulative
7	T	10/09	LN 5	Risk and Return	13
	TH	10/11	LN 5	Risk and Return	13
8	T	10/16	LN 6	Cost of Capital	14
	TH	10/18		FMA Conference – No Class Meeting	
9	T	10/23	LN 6	Cost of Capital	14
	TH	10/25	LN 6 LN 2-6	Cost of Capital Team Midterm Exam Distributed	14
10	T	10/30	LN 2-6	No Class Meeting: Midterm Exam Submission Due: Midnight	Cumulative
	TH	11/01	LN 7	Capital Structure	16
11	T	11/06	LN 7	Capital Structure	16
	TH	11/08	LN 7	DOL & DFL	11,16
12	T	11/13	LN 8	The Lease vs. Buy Decision	27
	TH	11/15	LN 8	The Lease vs. Buy Decision	27
13	T	11/20	LN 9	Working Capital Mgt: Cash Mgt. & Budgets	18
	TH	11/22		Thanksgiving Break – No Class Meeting	
14	T	11/27	LN 9	Working Capital Mgt: Cash Mgt. & Budgets	18
	TH	11/29	LN 9	Working Capital Mgt: AR Management	20
15	T	12/04	LN 10	Planning/Forecasting	3,4
	TH	12/06	LN 10	Planning/Forecasting	3,4
Finals	T	12/11	LN 1-10	001 Final Exam: 12:00-1:55 p.m.	Cumulative
Finals	TH	12/11	LN 1-10	801 Final Exam: 6:00-7:55 p.m.	Cumulative

^a Changes in the material covered and/or the timing of the material/assignments/exams are at the professor's discretion.