

Syllabus
FIN 501-03W: Finance for Decision Makers
Spring 2013: March 18 – May 10
Internet Instructional Method
[All times in Central Standard Time (CST)]

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Hours: Thursday 11:00-4:00, UCD by appointment.

Website: eCollege online access to the course at <http://online.tamuc.org>

Course Description:

Catalog: This course is designed for non-business undergraduate degree holders to prepare for making financial decisions. Basic concepts of finance are applied in both the public and private sectors. Graduate students will learn about financial analysis, financial forecasting, asset management, financial markets and security valuation (including state and local bonds).

Specifically: The course consists of three parts. The first is commonly called financial statement analysis whereby we analyze the accounting statements for the purpose of assessing the financial health and prospects of a company. The second part is valuation. We begin with the general concept of time value of money and then apply it to the capital financing of business by stocks and bonds. The third part looks at the prime use of the capital financing, investment in long-term assets, or what is known as capital budgeting analysis. A tool needed for this analysis is the Capital Asset Pricing Model, which provides a mathematical relationship of the tradeoff between risk and return.

Degree Fulfillment:

This course satisfies the finance background requirement for the MBA candidates and may be appropriate for graduate programs in a field other than business administration.

Overall Course Objectives:

FIN 501 is structured around three broad learning objectives, which serve as the basis of the grading rubric provided at the end of this syllabus. Upon completion of the course, you should be able to:

1. Demonstrate an understanding of the fundamental concepts of corporate finance and its principles and methods.
2. Understand and apply valuation techniques of securities, projects and corporations.
3. Demonstrate an understanding and show ability to measure financial decisions in a risk/return environment.

Learning Aids:

- a. The textbook used in all FIN 501 sections is Fundamentals of Financial Management, Concise 7th Edition, by Brigham and Houston, ISBN 978-0-538-47711-6, published by South-Western Cengage Learning, 2012.
- b. Online textbook support is available at the web site (click preview for free resources): <http://coursemate.cengage.com/CPReader/View/9781111750305/default.aspx>
- c. ClassLive sessions will be held in eCollege on Tuesday and Friday evenings, starting the second week of the 8-week semester. The sessions are live lectures over the internet. They will begin at 6:30 and end about 9:05pm or shortly thereafter (allowing for a short 5 minute intermission). Attendance is not required; no one will lose points for not participating. The sessions are recorded for those unable to attend. I will go through slides and ask questions just as I do in a classroom. The only difference is that we will not see each other and in most cases you will respond by typing your answer rather than speaking. (A headset microphone can be used; however it is a rather cumbersome and time-consuming process so typing in the chat window generally works better.) The point is that interaction is possible. Those who participate will be rewarded by being more involved in the learning process, and from my experience that translates into higher grades than is achieved by passively sitting back and reading what the textbook authors have to say or listening to a recording of your professor and classmates. Successful participation also may be taken into account in borderline cases, as discussed in the section below on grading.
- d. Several financial calculators have been designed specifically for the types of calculations performed in this course. These calculators can also be useful outside of the classroom when making personal financial decisions. You are strongly encouraged to use one. In this course, lectures and PowerPoint slides will be oriented toward the Texas Instruments BAI Plus, which costs about \$30. Another excellent financial calculator is the Hewlett Packard 10B. Most advanced mathematical calculators such as the TI-83 contain the financial functions needed for the course. If you already have one of these calculators then they will do just fine, although be aware that you will receive limited guidance on how they work. Make sure you have the manual and the time to figure them out on your own. If you need to purchase a calculator, I recommend the TI BA-II+. Its quality is outstanding as is the HP's, but it tends to be easier for those who do not use a financial calculator frequently.
- e. You are expected to know what is currently going on financially in the *real world*. The basic premise underlying the pedagogy of the course is that the best way for you to learn about finance is not merely by watching a professor do it, but by taking a semester to "live" the subject. This means thinking through the concepts on your own, reading the financial news (particularly The Wall Street Journal), watching business news on TV (e.g., Bloomberg, CNBC, or Fox Business), and even viewing popular movies about Wall Street.

Grading:

To implement the grading rubric provided at the end of the syllabus, an overall score will be calculated as the simple average of three exams. All will be in a multiple-choice format.

Your overall score then will be placed in the customary grade scale: *A for 90 and above, B in the 80s, C in the 70s, D in the 60s, and F below 60*. There will be no rounding per sé to the next highest integer, e.g., 69.9 is in the 60s and hence is a D. However, solely at the professor's discretion, exceptional performance by a student during ClassLive discussion (which you can't achieve if you do not attend) and other non-exam activities (such as helping your classmates in the eCollege weekly discussion forum and identifying articles in *The Wall Street Journal* that relate to the material being learned) may be considered in close borderline cases (as in 89.7). Failure to participate in ClassLive will not help your case. Others may hurt it, such as: answering questions incorrectly because you are not prepared for the discussion, disrupting the session by chatting over irrelevant matters to the topic being discussed, wasting class time by asking questions that you should have known the answer to if you had listened better or read the text more closely. In a nutshell, it boils down to whether you are conducting yourself professionally and responsibly, or are you doing things that are disappointing and perhaps even aggravating. If you want help on a borderline grade, you have a chance with the former. Don't even think about it if your behavior is the latter.

Be aware that the exams in this class are challenging. It is the nature of the material. The basic grading process is straight-forward: either you selected the correct choice for each question or you did not. To account for the difficulty of the subject matter, some professors put only the easiest questions on an exam or ask mainly ones that everyone should have already seen from weekly quizzes and graded homework. I'm sorry; my class is not a make-work course. I leave it up to you to decide whether to learn from taking online quizzes or working problems in the text. Everyone learns differently. Some of you will need to work as many problems as you can find. Others may need only a few. This is a graduate-level course and you will have to make those decisions yourself. I only care about the results.

So, if I can't use quizzes and homework to inflate your grade, how else can I take into account the difficulty of the material? My approach is to augment the scoring by treating some questions as bonus -- in that if you miss such questions then no points will be deducted whereas points will be added for the bonus questions answered correctly. The determination of which question ends up as a bonus is based on an algorithm that evaluates how many in the class missed it. This way, a rather difficult question -- which some professors might leave off an exam because few would be expected to answer it correctly -- can be included on mine so as to give credit to those with the superior knowledge, while not penalizing others for failing to have that degree of expertise. Your score will not be less for having missed a bonus question. Just make sure that you don't miss the more basic, easier questions.

I would hope that as a graduate student your motivation and ability would be strong enough for everyone to earn at least a B. Yet, customarily, some won't. The biggest problem is that this is not a subject that can be crammed at the last moment. The material has to seep-in slowly. That's a prime reason it is vital that you participate in each ClassLive session. It encourages you to keep up. On top of this, you are in FIN 501 because this material is new for you. Trust me: don't get behind!

If you wish to dispute the accuracy of your grade, all graded material will be kept for one week only following the end of the semester, after which time no grade will be open to reexamination.

Preliminary Schedule:

| WEEK | BEGINNING | |
|------|-----------|---------------|
| 1 | Mar 18 | Ch. 1 |
| | 22 | Ch. 3 |
| 2 | 25 | Ch. 3 cont'd |
| | 29 | Ch. 4 |
| 3 | Apr 1 | <u>Exam 1</u> |
| | 5 | Ch. 5 |
| 4 | 8 | Ch. 5 cont'd |
| | 12 | Ch. 7 |
| 5 | 15 | Ch. 9 |
| | 19 | <u>Exam 2</u> |
| 6 | 22 | Ch. 8 |
| | 26 | Ch. 10 |
| 7 | 29 | Ch. 11 |
| | May 3 | Ch. 11 cont'd |
| 8 | 6 | <u>Exam 3</u> |

Updates and additional detail will be provided in the weekly outline for the course in eCollege.

Seeking Assistance & Course Learning Strategy

I will be available by email (which I endeavor *but do not promise* to answer within 24 hours) and during office-hours to help you with individual questions you may have about the course. However, before running to the professor to ask a specific question you are encouraged first to check with your classmates. One of the best ways to retain and strengthen your understanding of the material is to assist others in their learning and to build off one another's knowledge and experience. Everyone has something to offer. Get to know your classmates. Whether looking for a job lead, a movie review, or some other personal life issue, all of you share something in common – your university and a desire to learn and further your career. Take advantage of the networking possibilities and friendships that can be gained by communicating among yourselves. To facilitate this communication, one of the benefits of an internet course is that eCollege provides a forum which makes it easy to work together outside of the classroom. Our web page contains a chat area for each week of material. Before asking me a chapter-specific question, first seek the aid of your classmates by posting it that week's Discussion Thread. There is a Student Lounge where more informal discussions can take place. Please be aware that I do not participate in either of these chat forums. They are for you students.

As discussed earlier, this is not a course that can be crammed into your head a few study sessions before the exam. You must keep up. Actively participate in the course each and every week by reading the text, attending ClassLive, working problems in the book (and possibly the publisher's online quizzes), making thoughtful contributions in the topic discussion threads, and even chatting with classmates. The best way for you to learn about finance is not merely by watching your professor and the textbook authors do it, but by taking a semester to "live" the subject. This means thinking through the concepts on your own and staying current on the financial news by reading *The Wall Street Journal* and even watching the financial TV channels. The point is to get engaged. And not just occasionally, but continually. You might be one of the few who can pass the course by cramming the night before. But why waste the opportunity? Learn finance by living it.

Student Behavior and Considerations:

Refer to the Student's Guide Book located at: www.tamu-commerce.edu/studentlife/guidebook.htm

All students enrolled at the University shall follow the tenets of common decency and acceptable behavior conducive to a positive learning environment.

Students enrolled in online courses have the same rights and responsibilities as students in live, face-to-face courses.

You are expected to maintain high standards of integrity and honesty while pursuing your academic goal(s). The university's statement on academic honesty is found in the Texas A&M University-Commerce Procedures, A13.12, Academic Honesty. Academic dishonesty is defined in the following manner:

"Academic dishonesty includes, but is not limited to, plagiarism (the appropriation or stealing of the ideas or words of another and passing them off as one's own), cheating on exams or other course assignments, collusion (the unauthorized collaboration with others in preparing course assignments), and abuse (destruction, defacing, or removal) of resource material."

When taking an exam or conducting any other graded assignment in this course, you are not allowed to consult with any other person nor provide such aid to another student. The principle is simple: your grade is to reflect your work alone, and likewise your classmates' grades reflects their work alone and not yours.

Students found to have committed academic dishonesty will automatically receive a failing grade for the assignment and possibly the entire course, as well as face possible expulsion from the university.

To take this course, you must indicate by signature your agreement to the above and the statements provided on the College of Business and Technology Academic Honesty Policy.

STUDENTS with DISABILITIES: The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you have a disability requiring an accommodation, please contact:

Office of Student Disability Resources and Services
Texas A&M University-Commerce
Gee Library, Room 132
Phone: 903-886-5150 or 903-886-5835
Fax: 903-468-8148
Email: StudentDisabilityServices@tamuc.edu

Technical Problems/Questions

Personal computer problems **do not** excuse the requirement to complete all course work in a timely and satisfactory manner. Each student needs to have a backup method to deal with these inevitable problems. These methods might include the availability of a backup PC at home or work, the temporary use of a computer at a friend's home, the local library, Office Services such as Kinko's, an Internet cafe, or a bookstore such as Barnes & Noble, etc.

Technical assistance is available 24 hours a day/ 7 days a week. If you have questions related to eCollege, A&M-Commerce's online course management system, click on "TECHNICAL SUPPORT" on the left side of your course screen. An email box will appear. Fill out this technical support form, click submit, and your questions will be forwarded to the technical support staff. A resolution will be sent to you from the technical support staff via email. If at any time you experience technical problems (e.g., you can't log in to the course, you can't see certain material, etc.) please contact the eCollege HelpDesk, available 24 hours a day, seven days a week. The HelpDesk can be reached by sending an email to helpdesk@online.tamuc.org or by calling 866-656-5511. Additionally, you can click on the "Help" button located at the top of each page for more information.

If you use an Internet Service Provider other than the university, please contact a company representative if you are having difficulty accessing the Internet. Other support questions may be addressed to Computing, Telecommunications, and Information Systems (CTIS). The CTIS help desk is staffed Monday-Friday from 8am-5pm and can be reached at 903-468-6000. The after-hours and weekend emergency phone number is 877-808-1607. When the after-hours support number is dialed, the answering service representative will ask for your name and phone number. They will then contact the on-call CTIS technician who should return your call within about 15 minutes.

Grading Rubric -- Upon completion of the course, students should be able to:

| Objectives | 1 (Unsatisfactory) | 2 (Emerging) | 3 (Proficient) | 4 (Exemplary) |
|---|--|---|---|--|
| Demonstrate an understanding of the fundamental concepts of corporate finance and its principles and methods. | Student cannot demonstrate an understanding any of the fundamental concepts of corporate finance and its principles and methods. | Student can demonstrate some understanding of the fundamental concepts of corporate finance and its principles and methods. | Student can demonstrate understanding of all of the fundamental concepts of corporate finance and its principles and methods and analyze issues accordingly. | Student can demonstrate understanding of all of the fundamental concepts of corporate finance and its principles and methods and display an ability to analyze and synthesize accordingly. |
| Understand and apply valuation techniques of securities, projects and corporations. | Student cannot demonstrate an understanding of any valuation techniques of securities, projects and corporations. | Student can demonstrate an understanding of valuation techniques but none of the application to the projects or corporations. | Student can demonstrate an understanding of valuation techniques and all of the application to the projects or corporations and can analyze issues accordingly. | Student can demonstrate an understanding of valuation techniques and all of the application to the projects or corporations and display an ability to analyze and synthesize accordingly. |
| Demonstrate an understanding and show ability to measure financial decisions in a risk/return environment. | Student cannot demonstrate an understanding of these processes or there measurement. | Student can demonstrate an understanding of these processes but not the measurement. | Student can demonstrate an understanding of these processes and there measurement and can analyze issues accordingly. | Student can demonstrate an understanding of all of these processes and there measurement and display an ability to analyze and synthesize accordingly. |