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Jacksonville University

Optimizing Financing Performance

FIN 534 Fall 2018

**SUNT 1829**

Instructor: Professor Maggie Foley

Office: **118A** DCOB

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***Vision***

The vision of the Davis College of Business is to cultivate innovative business leaders throughout North Florida and beyond.

***Mission***

The Davis College of Business delivers high quality educational programs that develop leaders who:

1. Exhibit business acumen;
2. Demonstrate leadership abilities and ethical behavior;
3. Use critical thinking;
4. Leverage technical and analytical skills;
5. Cultivate global awareness.

**Course Description:**

This course is designed primarily as an introductory Financial Management course for MBA. It is intended to provide students an overview of the basic concepts and principles of financial management, with an emphasis on corporate value maximization. Topics covered include: introduction of fundamental financial principles such as time value of money & return-risk tradeoff, valuation of major corporate securities such as bonds and stocks, valuation of corporate investment projects, sources and cost of capital, capital structure tradeoffs, dividend policy etc.

**Course Objectives:**

By the end of the course, students should be able to:

1. Develop a conceptual framework within which a firm’s investment and financing decisions may be examined in light of maximizing firm value;
2. Build the analytical skills necessary to make sound financial decisions in a corporate environment;
3. Gain hands-on experience in financial decision making by investigating the current best practices through cases/project;
4. Understand the institutional framework of money and capital markets and the nature of financial claims exchanged therein.

**Textbook and Instructional Materials:**

1. Textbook: *Financial Management: Theory and Practice* 15th Edition

Author: Eugene F. Brigham and Michael C. Ehrhardt

Publisher: Cengage Learning

ISBN: 978-1-305-63229-5

1. For calculation purpose, you can use either Microsoft Excel or a handheld financial calculator (or formulas). If you already have a financial calculator (with NPV & IRR keys on the keypad) or an advanced mathematical calculator such as TI 83/84, any model can do the work. Otherwise, please buy *TI BA II Plus* if you decided to use financial calculators.
2. Aside from the textbook, all course materials such as lecture notes and homework assignments will be posted on the course website as follows. You should check regularly and keep up with the material and the assignments.

Class website: [www.jufinance.com/fin534\_18f](http://www.jufinance.com/fin534_18f)

1. The Internet is an invaluable resource for the class. You can access real-time events and data at: <http://finance.yahoo.com>; or <http://finance.google.com>. Other financial websites such as Bloomberg, Reuters, and CNN Money etc. are also very helpful.

**Evaluation/Grading:**

The evaluation consists of the following components (total 600 points/ 100%):

1. *One Project: 120 points / 20%*

Each student is required to finish a term project based on the discussions in chapters 2 & 3. The instructions for the project will be distributed in Week 1, and you should start working on the project immediately after reading the relevant sections in chapters 2 & 3 since we have a busy schedule with the 8-week format. Each student must submit a written report and the PPT based on the report according to the scheduled date, which is the *Saturday* in Week 6. Late submission will not be accepted.

1. *Nine Homework Assignments: 120 points / 20%*

Out of the 8 weeks, Week 4 and Week 8 are reserved for the midterm and final exams. For the remaining 6 weeks, we will cover two chapters each week. Homework problems will be assigned for each chapter we will discuss in this class (except for chapter 2 & 3 which are used exclusively for the project and there is no homework for chapter 1), so there will be 9 homework assignments, each worth 13.5 points with a total of 120 points. The assignments are designed to help you understand the course materials and prepare for the exams. In terms of the level of difficulty, the exam questions will be very similar to the homework problems, especially for calculation type of questions.

Course materials (PPT & handouts etc.) will be posted on the course website.

Grading on homework assignments will be based on both efforts and quality, e.g. even your answers were all wrong you can still get at least half of the credit for attempting all questions. So it’s important that you attempt all questions and submit on time.

1. *Two Exams: 360 points / 60%*

There will be a midterm and a final exam. The final will not be deliberately cumulative, although concepts developed in earlier chapters will necessarily be employed in later chapters.

The midterm will cover chapters 1, 4, 5, and 6. There will be 120 points for this exam accounting for 20% of your final grade.

The final exam will cover chapters 7, 9, 10, 11, 14, and 15. There will be 240 points for this exam accounting for 40% of your final grade.

Your final grade for the course will be a weighted average of the scores you receive on the two exams, 9 homework assignments, and the project (plus any bonus points). The weights for each component are as follows:

*Project Report & Presentation: 120 points / 20 percent*

*Ten Homework Assignments (20 points each): 120 points / 20 percent*

*The Midterm Exam 120 points / 20 percent*

*The Final Exam 240 points / 40 percent*

*Total: 600 points / 100 percent*

The following scale will be used to convert percentages into letter grades:

|  |  |  |
| --- | --- | --- |
| **Letter Grade** | **Points** | **Percentage** |
| A | ≥ 540 | ≥ 90% |
| A- | ≥ 528 | ≥ 88% |
| B+ | ≥ 510 | ≥ 85% |
| B | ≥ 480 | ≥ 80% |
| B- | ≥ 468 | ≥ 78% |
| C | ≥ 420 | ≥ 70% |
| D | ≥ 360 | ≥ 60% |

**Extra Credit**

Extra credit will be determined and announced during regular class meetings.

**Late or Missed Assignments and Exams**

Make-up exams are not offered in this course. Religious observances and emergency situations will be evaluated on an individual basis and must be accompanied by valid documentation.

### Class Activities/Participation/Attendance

Active and regular participation in class and within your team will be critical to your success. This includes asking questions, answering questions, and in general being involved. Attendance is expected of all students as part of the learning process is interacting with others. On that note, it’s impossible for me, your team members, or fellow classmates to further your learning if you aren’t even in class. Class will begin and end at the designated times

### Changes/Additions to Syllabus

This syllabus may be changed at any time during the semester. All changes/additions will be announced in class.

**Personal Philosophy of Teaching and Learning**

To me, learning is fun. I think that all college students should feel this way about learning. A good instructor makes this happen by making the class clear and interesting, by giving students opportunities for inquiry and rewarding them for critical thinking.

To make the class clear and interesting, I focus on conveying the material to the students through real world examples. This equips the students their text book knowledge in a constantly changing world. I believe in using group discussions, in-depth term projects and students’ presentations. I encourage students to ask questions, because those questions help identify where students’ are having difficulty, and helps to keep them interesting in the class.

### ACADEMIC MISCONDUCT

Jacksonville University students are expected to contribute to the development and sustenance of a community characterized by respect, caring and honesty. The academic honor system of Jacksonville University is based on the premise that each student is expected to adhere to the highest standard of academic honesty.

<http://www.ju.edu/greenpages/Pages/University-Policies.aspx>

### SPECIAL NEEDS

<http://www.ju.edu/greenpages/Pages/University-Policies.aspx>

**COURSE WITHDRAWAL**

<http://www.ju.edu/registrar/Pages/Grading-Information.aspx>

<http://www.ju.edu/registrar/Pages/Forms.aspx>

**UNIVERSITY WITHDRAWAL**

<http://www.ju.edu/registrar/Pages/Grading-Information.aspx>

<http://www.ju.edu/registrar/Pages/Forms.aspx>

**MEDICAL WITHDRAWAL**

<http://www.ju.edu/greenpages/Pages/University-Policies.aspx>

<http://www.ju.edu/registrar/Pages/Forms.aspx>

**PLAGIARISM POLICY**

<http://www.ju.edu/ctl/Pages/Academic-Integrity.aspx>

**Topics we will likely cover this semester**

**Tentative Calendar**

|  |  |
| --- | --- |
| **Week** | **Chapters** |
| Week1  | Chapter 2: Financial statementsChapter 3: Analysis of financial statements |
| Week 2  | Chapter 1: An overview of financial managementChapter 4: Time value of money |
| Week 3  | Chapter 5: Bond, bond valuationChapter 6: Risk return |  |
| *Week 4*  | ***Mid Term*** |
| Week 5  | Chapter 7: Stock valuationChapter 6: The cost of capital |
| Week 6  | Chapter 10: The basics of capital budgetingChapter 11: The cash flow estimation and risk analysis***Project DUE*** |
| Week 7  | Chapter 14: Distribution to shareholders: Dividends and repurchaseChapter 15: The capital structure decisions |
| *Week 8*  | ***Final***  |

**Note: This is a tentative schedule. Alterations will most likely be made.**