Instructor: Qian Li, Assistant Professor in Finance
Office: Dillard 227
Office Phone: 940-397-4711
Office Hours: Tuesday 9:30am -10:50am; 2:50pm-7:00pm
Office Hours: Thursday 9:30am -10:50am; 3:40pm-6:50pm; or upon appointment
Office Hours: E-mail: qian.li@mwsu.edu

Required Materials and Accessory
Required Textbook: Investment Analysis and Portfolio Management, 9e, by Reilly and Brown, South-Western, ISBN: 0324656122/ 9780324656121

WEBCT: We will make extensive use of Blackboard/WEBCT (http://distance.mwsu.edu/webct.asp). Make sure that you have access to this course on WEBCT. From WEBCT you will see this syllabus, lecture slides, important announcement and a message board where you can communicate with other students, etc. However, email contact with the professor will NOT be through WEBCT. Instead, you should send your email to qian.li@mwsu.edu

If you have problem using WEBCT, please refer to the following website about your login information:
http://distance.mwsu.edu/distance/webct_help.asp
For more helps on using this system, please refer to:
http://distance.mwsu.edu/FAQ.asp
or contact MWSU Office of Distant Education (distance.ed@mwsu.edu)

Prerequisite
Junior standing or above or consent of the chair, BUAD 3033 and FINC 3733
It is YOUR responsibility to make sure that you meet the prerequisite requirements. Failure to do that may result in withdrawal from the class, even at late point of this semester.
Course Overview

General Learning Goals:

- **Problem solving and decision making abilities through the critical analysis, evaluation, and interpretation of business information:** Students will demonstrate problem solving and decision-making ability as they synthesize information from different angles to analyze topics such as firms’ financial conditions and interest rate pattern, and make decisions on circumstances such as capital budgeting. Scores on assignments and exams are based on the appropriateness of student’s numerical analysis.

- **Utilization of available technology for common business applications:** Students will finish several sets of homework that require them to conduct analysis and computation using software such as MS Excel. Grades in these assignments are partially based on the effectiveness of student’s use of Excel.

- **Team building and collaboration to achieve group objectives:** Students will work in teams as they gather information, conduct financial analysis, and solve spreadsheet problems. Grades in assignments are partially based on student’s ability to work in a team.

- **Developing a competency in speaking and writing for common business scenarios.** Each student will make a presentation in class about current business events/news. Students will be graded on the quality of their oral speaking skills and the effectiveness of their presentation.

Course Specific Learning Goals:

This course focuses on the practical and conceptual problems associated with the financial management of the non-financial corporations. Topics covered include financial planning and forecasting, risk and return including the capital asset pricing model (CAPM), valuation of debt and equity, cost of capital, capital budgeting and project evaluation techniques, etc. For each topic, consideration is given as to how each relates to shareholder value maximization. For purpose of enhancing corporate decision-making skills, students will be exposed to both the theoretical underpinnings of each concept as well as their applications to realistic situations facing the firm.

Grading

a. **Exams:** There will be three exams. Each of the three exams is weighted 20% into your overall grade. Format and content of an exam will be announced in class prior to the exam.

   There will be no make-up for the exams. It is the student’s responsibility to know when and where exams will be held. If you have an unavoidable conflict you must discuss this with me at least one week before the exam. If an emergency arises notify me immediately; if you cannot reach me directly leave a message. An unexcused absence from an exam will be recorded as zero. If you miss one exam, with a valid reason, the weight of the missed exam will be transferred into the other two exams that you can take (for example, if you miss the first exam, then your other two exams will each be weighted 30%). This option can only be exercised once, meaning that if you miss two exams, you lose at least 20 points in your total grade. An unexcused absence from the exam will result in a grade of zero.

   ***Do not make travel plans during finals week. The final exam will be given when the university has scheduled it. Early finals will only be offered to seniors graduating with honors.

b. **Spreadsheet Assignment (Group Homework):** You will form teams to complete two sets of spreadsheet problems from assigned chapters. These problems will give you essential hands-on
experience applying many of the concepts in the chapters. Each assignment will be weighted 10% into your overall grade.

Assignments and deadlines will be posted on WEBCT. You must submit your work via WEBCT Assignment Drop Box. You have to pick your team members and inform me about your team choice at the second class. Each group must have no more than 5 members and no less than 4 members. Each group only needs to submit one copy of the assignment.

*** I will only accept submission by an eligible group, before the deadline, and via WEBCT. Any violation of above requirement will result in a grade of zero.

c. **Mini-presentation:** Starting from the second week, selected students will each perform a 10-minute presentation that features on financial/economic news that occurs recently. The presentation can be based on student’s reading from articles on major media sources such as Bloomberg BusinessWeek and/or Wall Street Journal. The presenting students are responsible of summarizing the news, offering background information, and analyzing/commenting on the news. The students are also expected to answer audience’s questions during or after the presentation. Details about the requirements and grading standard for the presentation will be posted on WEBCT.

d. **Participation:** Student participation is very important for this course. Therefore participation credits are assigned to encourage students to attend classes and engage in class discussion. Participation grade depends on the following factors:

- Attendance
- Performance on raising and answering questions in class
- Performance on raising and answering questions on WEBCT discussion board
- Performance on in-class exercises
- Performance on team work

Students with outstandingly good participation can earn up to 10 points of participation grades, while students that seldom participate or are disruptive to class may get zero participation grade. There is no guarantee that a student attending every class will automatically receive the full credit of class participation. Also, refer to “Attendance and Classroom Policy” section to see how your conduct may affect your participation grade.

e. **Grading Schedules:** In general, the following grading schedules will apply:

<table>
<thead>
<tr>
<th>Score</th>
<th>Grade</th>
<th>Component</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 - 90%</td>
<td>A</td>
<td>Exam 1</td>
<td>20%</td>
</tr>
<tr>
<td>89 - 80%</td>
<td>B</td>
<td>Exam 2</td>
<td>20%</td>
</tr>
<tr>
<td>79 - 70%</td>
<td>C</td>
<td>Exam 3</td>
<td>20%</td>
</tr>
<tr>
<td>69 - 60%</td>
<td>D</td>
<td>Assignments</td>
<td>20%</td>
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<tr>
<td>≤ 59%</td>
<td>F</td>
<td>Presentation</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Participation</td>
<td>10%</td>
</tr>
</tbody>
</table>

100%
Attendance and Classroom Policy

- **Arrive on time for each class meeting.** Arriving late to class is disruptive to your fellow students. While arriving late for class is occasionally unavoidable, arriving late for excessive times may result in the student being administratively dropped from class.

- **Avoid excessive absences.** Experience indicates that attending class regularly improves student performance. A student with excessive absences may be dropped from the class by the professor. *(MSU Undergraduate Catalog 2010-2012, Vol. LXXVIII, No. 1, p. 78)*. It is your responsibility to sign the attendance form for each class meeting. Failure to do so will be considered as being absent.

- **Prepare for each class.** Read the assigned material, answer end-of-chapter questions and problems, and come to class prepared to ask questions over issues you do not understand, answer questions from the professor, and participate in class discussions when appropriate.

- **Silence your cellphone/pager.** Either turn it off, or switch it to silent mode. Phone rings or beeper beeps disrupt the whole class and will NOT be tolerated.

- **No private talking with your fellow students in class.** If you want to speak, speak loudly so that the whole class can hear you.

- **No food or beverage is allowed in the classroom.** This is a college policy.

Violating above rules will either cause you being dropped from this class or cause your final letter grade to be lowered according to the severity of the violation.

Academic Integrity
With regard to academic honesty, students are referred to the “Student Honor Creed” on P.19 of Midwestern State University Undergraduate Catalog, 2010-2012, Vol. LXXVIII, No. 1.

“We consider it dishonest to ask for, give, or receive help in examinations or quizzes, to use any unauthorized material in examinations, or to present, as one’s own, work or ideas which are not entirely one’s own. We recognize that any instructor has the right to expect that all student work is honest, original work. We accept and acknowledge that responsibility for lying, cheating, stealing, plagiarism, and other forms of academic dishonesty fundamentally rests within each individual student.”

Academic dishonesty (cheating, collusion, and plagiarism) is taken seriously and will be investigated. The minimum penalty is an "F" in this course and referral to the Dean of Students for disciplinary action, which may result in expulsion from the University. For information regarding Midwestern State University’s policies about academic dishonesty, refer to the current handbook which can be obtained in the Dean of Student’s Office (http://student.mwsu.edu/dean).

Americans with Disabilities Act
If a student has an established disability as defined in the Americans with Disabilities Act and would like to request accommodation, that student should see me as soon as possible (preferably within the first two weeks of the semester). This class follows the guidelines suggested by the Center for Counseling and Disabilities Services for students who qualify for disability services. See Page 21 of Midwestern State University Undergraduate Catalog, 2010-2012, Vol. LXXVIII, No. 1 for details.

Syllabus Change Policy
This syllabus and the following class schedule serve as reference for the course, and they are subject to change. Syllabus changes will be communicated in class or via WEBCT.
# Course Schedule: Financial Management

**FINC 4653**  
**Fall 2011**  
**TT 8:00 am—9:20 am, DB 175**

This schedule is tentative, and is subject to change. Changes will be communicated in class or on WEBCT.

<table>
<thead>
<tr>
<th>Tuesday</th>
<th>Topic</th>
<th>Reading</th>
<th>Thursday</th>
<th>Topic</th>
<th>Reading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 23-Aug-11</td>
<td>Syllabus and Class Policy Discussion</td>
<td>Syllabus</td>
<td>25-Aug-11</td>
<td>Overview of Financial Management</td>
<td>Ch 1</td>
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<tr>
<td>2 30-Aug-11</td>
<td>Overview of Financial Management</td>
<td>Ch 1</td>
<td>1-Sep-11</td>
<td>Risk and Return (part 1)</td>
<td>Ch 2</td>
</tr>
<tr>
<td>3 6-Sep-11</td>
<td>Risk and Return (Part 2)</td>
<td>Ch 3</td>
<td>8-Sep-11</td>
<td>Risk and Return (Lab Session)</td>
<td>Ch 2, 3</td>
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<tr>
<td>4 13-Sep-11</td>
<td>Bond Valuation</td>
<td>Ch 4</td>
<td>15-Sep-11</td>
<td>Bond Valuation</td>
<td>Ch 4</td>
</tr>
<tr>
<td>5 20-Sep-11</td>
<td>Stock Valuation</td>
<td>Ch 5</td>
<td>22-Sep-11</td>
<td>Stock Valuation</td>
<td>Ch 5</td>
</tr>
<tr>
<td>6 27-Sep-11</td>
<td>Financial Options</td>
<td>Ch 6</td>
<td>29-Sep-11</td>
<td>Financial Options</td>
<td>Ch 6</td>
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<tr>
<td>7 4-Oct-11</td>
<td>Exam 1 Review</td>
<td></td>
<td>6-Oct-11</td>
<td>Exam 1</td>
<td>Ch 1, 2, 3, 4, 5, 6</td>
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<tr>
<td>8 11-Oct-11</td>
<td>Financial Statement</td>
<td>Ch 7,8</td>
<td>13-Oct-11</td>
<td>Financial Planning</td>
<td>Ch 9</td>
</tr>
<tr>
<td>9 18-Oct-11</td>
<td>Financial Planning</td>
<td>Ch 9</td>
<td>20-Oct-11</td>
<td>Cost of Capital</td>
<td>Ch 10</td>
</tr>
<tr>
<td>10 25-Oct-11</td>
<td>Cost of Capital</td>
<td>Ch 10</td>
<td>27-Oct-11</td>
<td>Corporate Value</td>
<td>Ch 11</td>
</tr>
<tr>
<td>11 1-Nov-11</td>
<td>Corporate Value</td>
<td>Ch 11</td>
<td>3-Nov-11</td>
<td>Valuation: Lab Session</td>
<td>Ch 11</td>
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<tr>
<td>12 8-Nov-11</td>
<td>Exam 2 Review</td>
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<td>10-Nov-11</td>
<td>Exam 2</td>
<td>Ch 7,8,9, 10,11</td>
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<tr>
<td>14 22-Nov-11</td>
<td>Capital Budgeting: CF Estimation</td>
<td>Ch 13</td>
<td>24-Nov-11</td>
<td>Thanksgiving Holiday; No class</td>
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<tr>
<td>15 29-Nov-11</td>
<td>Capital Budgeting: CF Estimation</td>
<td>Ch 13</td>
<td>1-Dec-11</td>
<td>Final exam Review</td>
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<tr>
<td>16 8-Dec-11</td>
<td>Final Exam (8:00 am-10:00 am)</td>
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<td></td>
<td></td>
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