



**TERRY College of Business, The University of GEORGIA**

## **FINA7020 – MBA Financial Management**

# **S Y L L A B U S**

Summer Semester 2007; Call-ID: 52-590; Time and Place: Tue/Thu 8:00 – 11:13, Sanford 309

**Instructor: Matt BLASKO, PhD. ; Brooks Hall 424, mblasko@uga.edu**

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### **A. COURSE FOCUS, OBJECTIVES, and STRUCTURE**

The course provides an introduction to financial decision making. Given the concentrated nature of the course, we review the basics of corporate finance, investments, international finance, and financial markets and institutions. Students will be able to apply the main principles of Time Value of Money and Risk-Return. Further topics include the Law of One Price and Asset Pricing, Arbitrage, Diversification, Market Efficiency, Capital Asset Pricing Model, Net Present Value, Cost of Capital.

The course will be composed of lectures, in-class and takehome problem solving and class discussions. Students are encouraged to ask questions and introduce current (relevant) topics from business periodicals such as the *Wall Street Journal*.

### **B. PREREQUISITES**

Students are expected to have an undergraduate business degree, or have taken finance courses in the past. You should be comfortable doing Excel exercises and familiar with business statistics.

### **C. INSTRUCTOR CONTACT**

Office Hours: Tuesdays and Thursdays, 11:30 – 12:30pm, and by appointment. Brooks Hall 424.

Students are encouraged to stop by during office hours and ask questions at the beginning or the end of each class session. If you need to contact me, please e-mail me at [mblasko@uga.edu](mailto:mblasko@uga.edu). The response time is very short – usually less than 24 hours. In case of an emergency, call my office: 706-542-2920.

Also, check out the course website.

### **D. COURSE WEBSITE**

The official course website is: <http://mblasko.myweb.uga.edu/fina7020/>

Students are expected to check the website frequently and read all announcements posted! It is the official source of information about the class, homework, exam, grades. An outline of my lectures (lecture notes) will be posted on this website. This should help you focus on the issues rather than tedious notes taking. However, class notes are not a substitute for class attendance.

## E. COURSE REQUIREMENTS and GRADING

### Requirement:

- (a) **Final Exam:** 45%.
- (b) **Mini case-study: Warren Buffett:** 5%. Available thru <http://study.net>
- (c) **Midterm quiz:** 15%. On time value of money concept, valuation.
- (d) **Homework, mini-projects:** 25%. Financial statements, valuation, NPV.
- (e) **Class Participation/Bonus:** 10%. The class requires regular class attendance and substantial effort devoted to reading assigned chapters and problem solving. To obtain the equivalent understanding of one hour of class time takes about three hours of additional study. Students are encouraged to actively participate in class discussions, raise questions, and point to interesting (course relevant) current events. Extra bonus points possible.

Final Grades: Your course grade (A thru F, W) will be consistent with the official UGA grading scale and will be determined by the total course points (0-100) calculated as the weighted average of individual grade points. Approximate scale: A (corresponds to 90% or more total points), B (90-80), C (80-70), D (70-60), F (OU grade of zero, less than 60 total points)

Exams: The final exam and any quizzes will be administered at the assigned times only, and the missed exam will carry a grade of zero unless explicitly excused by a physician or the department of Student Affairs. Formats and scope will be announced at least one class period prior to the test date. The lecture notes, handouts, assignments, textbook (to a limited extent), and any other topics discussed in class provide exam material. Since these materials do not necessarily overlap, reading the text, and taking class notes should all be positive net-present-value projects.

Academic Honesty. Honesty is a fundamental principle of academic, business and community life. Students are expected to demonstrate the highest degree of honesty in performing assigned work.

## G. COURSE MATERIALS

- (1) **Textbook:** *Corporate Finance*, by Ross, Westerfield, Jaffe. McGraw-Hill. ISBN: 0073337188.
- (2) **Warren Buffett case study.** Available thru <http://study.net> and UGA - FINA7020 course page that I've set up there. There will be a nominal royalty charge (to Darden School, U. of Virginia) for the use of the case.
- (3) **You need a financial calculator** . Please have your financial calculator ready for class, and the final exam. It is your responsibility to know how your calculator works, though we'll review the basic functions in class. The least expensive calculator that does the net present value analysis is fine. My favorite is the Texas Instruments TI - BAII (any of its various versions).

## K. CLASS SCHEDULE

	<b>Date</b>	<b>Topic</b>	<b>Lecture Notes</b>
1	July 10, Tue	Introduction; Finance defined; Overview of the basic economic and finance principles Warren Buffet mini-case	L01
2	July 12, Thu	Markets and Institutions Time-Value of Money, Valuation – Stocks, Bonds	L02, L03, L04
3	July 17, Tue	Pricing cont. Financial Statements, Capital Budgeting	L05, L06
4	July 19, Thu	Investments, Risk-Return, Efficient Markets Portfolio Theory, CAPM	L08
5	July 24, Tue	Corporate Finance topics, Capital Structure Advanced capital budgeting	L07
6	July 26, Thu	NPV and levered and unlevered cost of capital Derivatives, Real options Risk Management	
7	July 31, Tue	Optional topics: International finance, Hedged cost of foreign funds Review	L09
8	Aug 1, Wed	FINAL EXAM, 8 – 10 am	

**NOTE:** Given the ‘refresher’ nature of the course, the schedule is subject to change and we may include/exclude topics based on your ‘classwide’ requests.

**Tips:** The end-of-chapter *Key Terms* and the end-of-textbook *Glossary* provides an excellent exam material.