



TERRY College of Business, The University of GEORGIA
FINA3000 – Financial Management
S Y L L A B U S

Spring Semester 2008; Call-IDs: a) 10559, b) 80560; Place & Times : Brooks 145, a) MWF 9:05–9:55, b) MWF10:10-11:00.
Instructor: Matt BLASKO, Ph.D. ; Brooks Hall 424, mblasko@uga.edu

The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary.

A. COURSE FOCUS, OBJECTIVES, and STRUCTURE

The course provides an introduction to financial decision-making. Students will learn the fundamental principles of corporate finance, investments, international finance, and the role of financial markets and institutions. Students will gain a clear understanding of the theoretical concepts and apply them to real-world situations, and effectively communicate issues involving finance. The course centers on the concepts of *Time Value of Money* and *Risk-Return*, and other crucial personal and corporate decision tools, such as Capital budgeting and the Net present value rule; Capital Structure and Cost of capital; stock and bond pricing, Law of one price, Arbitrage, Diversification, Market efficiency, basic portfolio selection and valuation theory.

The course is comprised of lectures, homeworks, and class discussions. An online practice problem-solving and homework-grading tool will be used to enhance learning. Students are encouraged to introduce current financial topics from business periodicals such as the *Wall Street Journal*, *Business Week*, and *The Economist*. The class requires regular class attendance and substantial effort devoted to reading assigned chapters and online problem solving.

B. PREREQUISITES

Students are expected to have ACCT 2101 Principles of Accounting I, and a Personal Computing or an Information Systems course. It would be advantageous if students have taken or are concurrently taking a course in Economics. I also expect you to know the basic statistical concepts, such as probability distributions, mean, covariance, correlation, and standard deviation.

C. INSTRUCTOR CONTACT

Office Hours: Mon & Wed : 2:00 - 4:00pm, and by appointment. Brooks Hall 424.

Students are encouraged to stop by during my office hours. Short inquiries are most efficiently and preferably handled thru **email : mblasko@uga.edu** . The response time is very short – usually less than 24 hours. Because of various technology and spam-filter issues, please email again if I don't respond within two days. In case of an emergency, call my office: 706-542-2920. Longer questions require an office visit. You will have to read all announcements posted on the course website.

D. COURSE WEBSITE

Students have to register at **www.aplia.com** , course key: B93Y-NQ24-7BC3. There is a \$35 fee. This website provides various learning tools such as practice problems, graded homeworks, and current-events blogs. Students are expected to check the website frequently, complete all homeworks by the posted due dates, and **read all announcements** posted there !! This course website is the official source of information about the class, topics, homeworks, exams, and grades. Some of my lecture notes will be posted there as well.

E. REQUIREMENTS:

- a) **Several online graded homeworks** : 25% total
- b) **Two multiple-choice in-class quizzes** : 20% each
- c) **Final Exam** : 35%

The pace of the course is fast and the material is challenging, so it is important not to fall behind. The **www.aplia.com** website provides practice problems and handles grading of homeworks. You will be given several days (or a week) to complete the practice problems and graded **homeworks**, and you have to complete them by the assigned due dates. *For grading purposes, the lowest homework score will be dropped.* This means you can miss one homework assignment without any penalty. No homework retakes are possible. The **final exam and quizzes** will be administered at the assigned times only. If the Office of Student Affairs certifies that you missed a quiz for a valid reason, your final exam grade will be re-weighted. The Final exam is cumulative. Finance terminology provides an excellent exam material. You cannot “make-up” your grade with extra work. Bonus points are possible for important contributions to the class.

F. COURSE 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 [94-100), A- [90-94), B+ [87-90), B [83-87), B- [80-83), C+ [77-80), C [73-77), C- [70-73), D [60-70), F (0-60).

H. POLICIES:

The class requires a 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. It is not acceptable to come late to class. If you have something to say, share it with everybody. **Seating arrangements** will be fixed on the Friday of the first week of classes. You have to attend the session for which you signed-up.

Academic Honesty. *All academic work must meet the standards contained in “A Culture of Honesty.” All students are responsible to inform themselves about those standards before performing any academic work.* 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. Please consult the UGA academic code of honesty. Matters that are unclear should be discussed with the Instructor.

Academic honesty means performing all work without plagiarism, cheating, lying, giving or receiving unauthorized assistance. Examples of academic dishonesty include: a) using someone else’s words, opinions, or ideas without giving proper credit to the source; b) copying or allowing another to copy answers during a quiz or exam; c) using unauthorized material to complete an assignment.

J. COURSE MATERIALS

- (1) **Textbook:** Required: “Fundamentals of Corporate Finance,” by Ross, Westerfield, Jordan, ISBN: 007353062x, 8th edition, any version is fine.
- (2) **You need a financial calculator.** Please have your financial calculator ready for class, quizzes and the final exam. It is your responsibility to know how your calculator works. The least expensive calculator that does the Net present value analysis is fine. My favorite is the Texas Instruments TI - BAIL (any of its various versions). We will review some basic functions in class.
- (3) Students have to register at **www.aplia.com** , course key: B93Y-NQ24-7BC3. See page one for more details on this website.
- (4) Recommended (not required) : any business periodicals such as the Wall Street Journal, Business Week, The Economist.

K. CLASS SCHEDULE

Week	Dates	Topics	Notes
1	Jan 7 - 11	Introduction; Finance defined; Overview of the basic economic and finance principles; Corporate goals and org. forms	Chapter 1
2	Jan 14 - 18	Time Value of Money	Ch 5
3	Jan 21 Jan 23, 25	NO CLASS, MLK Day Discounted Cash flows; Annuities, Perpetuities	Ch 6
4	Jan 28, 30 Feb 1	Bond Pricing and Theorems Interest rates, compounding frequencies	Ch 7
5	Feb 4 - 8	Stock Pricing - Dividend Growth Model	Ch 8
6	Feb 11 Feb 13, 15	<i>Midterm quiz 1</i> Overview of corporate financial policies	
7	Feb 18 - 22	Financial Statements, Ratios and Cash Flows	Ch 2, 3
8	Feb 25 - 29	Capital Budgeting, Net Present Value (NPV) and IRR rules Making Capital Investment Decisions	Ch 9 Ch 10
9	Mar 3 - 7	Investments, Capital Market History, Arbitrage Diversification	Ch 12
10	Mar 10 - 14	SPRING BREAK	
11	Mar 17 - 21	Risk and Return, Asset Allocation and Portfolio Selection	Ch 13
12	Mar 24 Mar 26, 28	<i>Midterm quiz 2</i> Efficient Market Hypothesis, CAPM	Ch 13
13	Mar 31 Apr 2, 4	Corporate Financing Policy, Cost of Capital	Ch 15
14	Apr 7 - 11	Intro to capital structure, leverage	Ch 17
15	Apr 14 - 18	Financial System, Markets and Institutions, Intro to the business and risk taking of financial firms	Lecture notes
16	Apr 21 - 25	International Finance, Exchange Rate Behavior Purchasing Power Parity	Ch 22
17		<i>FINAL EXAM</i> , 9:05 class: Mon, May 5, 8:00 - 11:00 am <i>FINAL EXAM</i> , 10:10 class: Wed, Apr 30, 8:00 - 11:00 am	
		Commencement, Sat, May 10	

NOTE: As every class has its own unique dynamics, the course schedule is only tentative and the instructor may announce changes as necessary. Therefore you need to watch for announcements on the course website.