

University of Georgia

Terry College of Business, Griffin Campus

Fall 2008

FINA 3000

Alan S. Wolk

Financial Management

COURSE SYLLABUS

Course Description

This course is designed to provide students with an introduction to the field of finance. Much of the course focuses on the analytical methods employed by corporate financial executives as well the role of financial markets in our economy. As an overview, we focus on three fundamental decisions, namely: (1) in which projects should the firm invest (the capital budgeting decision), (2) how should the firm finance those projects (the capital structure decision), and (3) how diversification theory reduces volatility of project and/or equity returns. This course serves as the foundation for more detailed discussions of specialized areas in finance.

The course will be composed of lectures, class discussion and problem solving. Students are encouraged (class participation is graded) to introduce current topics for discussion gathered through reading of the business press such as the Wall Street Journal or even USA TODAY business section (the key is reading about current business and financial issues), and relevant material from work experience. I have spent nearly 30 years in large private and public corporations, most recently in roles as President of several \$2B business units and as CFO of several business units up to \$6B in revenue. I will bring this experience to class and discuss the practical application of topics covered to real-life issues, bringing relevance to the theoretical rigor that will enable you to better apply what you learn in a variety of situations. Virtually everything we cover in this course, either my teams or I have used in making real life business decisions, or I have used in personal financial decisions.

The pace of the course is fast and the material is challenging, so it is important that you keep up. Most find that working through problems is the best way to master the material. I assign a number of homework problems from each chapter. We will review the homework in detail in class so that you can develop a complete understanding of the analytical techniques covered and clarify any questions you may have. Work through as much as you can: the more you do, the more you will get out of the course. You will have opportunity to lead the class in reviewing the solutions, so you must be prepared and class participation will be graded. In addition, I recommend that you read through the chapter before coming to class - i.e., attend classes prepared and *do not fall behind*. If you dig a deep enough hole, you may find it difficult to climb out. The Tentative Class Schedule, attached, includes more details on what I plan on covering.

Textbook/Materials

Text: Berk and DeMarzo, Corporate Finance (required) plus Study Guide (optional), published by Pearson Addison-Wesley, 2007.

Please bring your textbook and calculator to class every session. If you want to buy a financial calculator, it will be useful in this course. I use an HP 12C, but there are others on the market as

well. **Laptops and programmable calculators will not be allowed during exams. Financial calculators are approved for exams, but all work toward solutions will have to be shown on the exam.**

Course Grade

Your grade will be determined as follows:

Exam 1	35%
Exam 2	35%
Class participation/homework	15%
5-7 page paper	15%

Contacting Your Instructor

Email: alanwolk@terry.uga.edu

Phone: 770-655-0302

If you would like to meet, we can arrange for time before class on Monday's and Wednesday's at the Griffin Campus.

Honor Code

All academic work must meet the standards contained in "A Culture of Honesty". Each student is responsible for becoming familiar with those standards before performing any academic work. The honor code is taken seriously in this course. If you have any questions regarding expected behavior or what is appropriate, ask your Instructor or check the University guidelines. In general, you are expected to behave such that your academic integrity is beyond question.

Your Responsibilities

You are responsible for devoting the time and effort necessary to master the material covered in this course. A rule of thumb is that two hours of work outside of class is necessary for each hour of class time. Depending on your background and aptitude, you may need to spend more time working outside of class. You should attend class regularly and be prepared for what will be covered, whether lecture or homework problem review. This means you should skim the chapter before class and read the chapter and review your notes after class. Also, working the homework problems will increase your understanding of the material and your success in this class. Exams will cover material from the text, lectures and homework problems.

Please turn off cell phones during class. Texting will not be allowed!!!

Attendance

Attendance is necessary to successfully complete this class. We will work problems during the lectures in class and also go over homework. Corporate Finance is a very quantitative course, and complete understanding of the analytical methods and problem solving techniques will only be attained via successful working of problems and participation in class. Therefore, three unexcused absences will result in a one letter grade reduction in your final grade. Four unexcused absences will result in a two letter grade reduction in final grade, and five or more unexcused absences will result in a failing grade for the course.

Make up exams

Make up exams will not be offered. With an excused absence (to be reviewed with Instructor in advance) the exam weight will be added to the second exam. Excused absence will only be for significant illness or family issue.

Homework

Homework assignments are noted on the following page. I strongly urge you to complete the problems manually, without using Excel. This course is about learning financial analytical methods, and my experience in both academia and nearly 30 years of business is that you must comprehend what the formulas are explaining and how the numbers are coming about to truly understand the output. We will work the problems manually (financial calculator is ok) in class and on the exams. You will have plenty of time in your business career to use the Excel functions to save time and effort.

5-7 Page Paper

A short paper is required which uses some of the analytical methods and/or financial theory covered in the course to (1) compare two companies' (in the same industry; student's choice) financial and stock performance, or (2) research and discuss a relevant financial topic such as cause and impact of the weak dollar, credit crisis, government "bail-out" of the housing market, government arranged "bail-out" of Bear Sterns, etc. I will discuss expectations and items to be covered during class. The paper, together with a short oral presentation of findings, is due the week before the second exam.

Anticipated Course Schedule-FINA 3000

This course syllabus is a general plan for the course; modifications deemed necessary by the instructor will be announced in class.

<u>Week/Dates</u>	<u>Chapter(s)</u>	<u>Homework Problems</u>
1 : Aug 18 & 20	1 & 2	CH1: 3,4,6,8
2 : Aug 25 & 27	2	CH2: 6,10,12,15,21
3 : Sept 1 Sept 3	Labor Day 3	CH3: 1,3,5,6,8,11,16,19
4 : Sept 8 & 10	3 & 4	CH4: 3,4,6,7,10,12,18,23,27,34,38
5: Sept 15 & 17	4 & 5	CH5: 1,7,10,13,23,24,28,31,33
6 : Sept 22 & 24	5 & 6	CH6: 1,3,9,12,14,15,16,19
7: Sept 29 & Oct 1	6 & 7	CH7: 3,5,7,11,13,14 (a-c)
8: Oct 6 & 8	7 & Exam Review	
9: Oct 13 Oct 15	EXAM 1 8	CH8: 5,9,12,23,25,26
10: Oct 20 & 22	9	CH9: 1,5,7,12,20,22
11: Oct 27 & 29	25	CH25: 1,4,6
12: Nov 3 & 5	26	CH26: 3,4,6,10,13,14,16
13: Nov 10 & 12	10	CH10: 2,4,9,15,17,18,19,21,23
14: Nov 17 & 19	11	CH11: 1,2,3,13,14,16,18,20
15: Nov 24 & 26	Thanksgiving	
16: Dec 1 & 3	Paper Presentations & Review for Exam 2	
17: Dec 8	EXAM 2	
