

SYLLABUS Spring 2009
Financial Management (FINA 3000)

Professor: Ginger Wu

Office: Brooks 439

E-mail: jinw@terry.uga.edu

Office Hours: Tuesday and Thursday 3:15-4:15 pm, and also by appointment

Course Description

The course covers the basic concepts and analytical tools of finance in both corporate finance and investments. Topics include risk and return, financial institutions, efficient markets, valuation theory, capital budgeting, portfolio theory, and the cost of capital.

Prerequisites

ACCT 2101 "Principles of Accounting I" and either MIST 2090 "Introduction to Information Systems in Business" or CSCI 1100-1100L "Introduction to Personal Computing"

Lecture

Tuesday and Thursday, 12:30 to 1:45 p.m. or 2:00 to 3:15pm, Caldwell 107

Teaching Assistants: Craig McIntyre

TA Emails: mcintyre@UGA.EDU

TA Office Hours: 2:30-3:30pm MW, Brooks 289C

Required Textbooks:

Ross, Westerfield, and Jordan, *Fundamentals of Corporate Finance*, Eighth Edition

Optional Materials:

"Student Problem Manual for use with Ross, Westerfield, and Jordan," prepared by Thomas Eysell

Though not required, students are strongly encouraged to regularly read a business periodical, I recommend *The Wall Street Journal*.

Required Calculator:

Texas Instruments BA II Plus (Standard or Professional models) financial calculator. Programmable calculators are not allowed.

The course web site

The course web site is a [WebCT](#) site. Login at <https://webct.uga.edu> and go to "FINA3000 (Wu)".

Registered students should be granted access at least a couple days prior to first day of class. Please contact the [EITS](#) (706-542-3106) or [me](#) if you have trouble accessing WebCT or the course web site (after it has been made available).

Problems and Quizzes:

The pace of the course is fast and the material is challenging, so it is important that you keep up. Most students find that working through problems is the best way to master the material. With that in mind, I assign quizzes and recommend various problems/analyses throughout the course. Work through as much as you can: the more you do, the more you will get out of the course. In addition, I recommend that you read through the relevant material and attempt the related problems/analyses *before* coming to class - i.e., attend classes prepared and *do not fall behind*.

Evaluation

The course grade will be determined by the problem sets, quizzes and three examinations assigned the following weights:

Quizzes 5%

Midterm One 30% All sections, Feb. 17th, in class

Midterm Two 30% All sections, Mar. 24th, in class.

Final Exam 35% Thu, Dec 11 9:00 - 10:30 am

All exams are held in your lecture rooms.

Policies Concerning Grades

Your course letter grades are determined **solely** by your performance relative to your peers and your peers are defined as those students enrolled in the course (not including those who dropped out during the semester). The target percentages for the letter grades are as follows:

Percentile Range

A (including A+, A, and A-): 30% 0 to 30.0

B (including B+, B, and B-): 30% 30.1 to 60.0

C (including C+, C, and C-): 25% 60.1 to 85

D: 10% 85.1 to 95

F: 5% 95.1 to 100

It is the cumulative percentile score that is used to obtain the letter grades. It reflects your overall performance rank in the class. **It is the percentage of your peers who have performed better than you so far.** For example, if your percentile score is 11% it means that 11% of the students have performed better than you have and 89% have done the same or worse. I will not be able to answer the question like “What will I need to get on exam X to improve grade Y to grade Z?”, because I don’t know in advance what your performance will be in the future relative to your peers. All I can say is the following: if your overall performance relative to your peers improves your grade will stay the same or improve. If your overall performance relative to your peers falls your grade will stay the same or decline.

There are **no make-ups** ever. Additional weight will be put on the final, if you miss a midterm due to the followings:

- (1) a serious illness with written documentation from a physician
- (2) a University of Georgia sanctioned varsity athletic event for which I had prior knowledge
- (3) a sudden death in the family that may prevent you from attending an exam

Attendance

Attendance is not required for FINA 3000. However, students are responsible for all material covered in class, and all changes that are made in course content during class. Students are expected to read the selected chapters *before* lecture.

Honor Code: 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. All students are expected to abide by the University Honor Code as found in *A Culture of Honest*, which includes the following statement:

The University of Georgia seeks to promote and ensure academic honesty and personal integrity among students and other members of the University community. A policy on academic honesty (and procedural guidelines for adjudication of alleged violations of academic honesty) has been developed to serve these goals. Academic honesty means performing all academic work without plagiarizing, cheating, lying, tampering, stealing, receiving assistance from any other person or using any source of information that is not common knowledge (unless that assistance or use is authorized by the person responsible for supervising that academic work or fairly attributed to the source of assistance or information).

ANY violation will be reported to the Office of Academic Affairs.

Course outline

Week 1—Thurs 1/8,

-Introduction **RWJ 1**

Week 2--- Week of 1/13,

-Time Value of Money **RWJ 5**

Week 3—Week of 1/20,

-Discounted Cash Flow Valuation **RWJ 6**

Week 4—Week of 1/27,

-Discounted Cash Flow Valuation **RWJ 6** cont'd

Week 5-- 2/3

-Bond Valuation **RWJ 7**

Week 6—2/10

-Stock Valuation **RWJ 8**

-Review

Week 7—2/17

Exam One (in class 2/17)

-Investment Criteria **RWJ 9**

Week 8—2/24

-Investment Criteria **RWJ 9** Cont'd

-Making Capital Decisions **RWJ 10**

Week 9—3/3

-Making Capital Decisions **RWJ 10** Cont'd

-Capital Market History **RWJ 12**

Week 10—3/17

Capital Market History **RWJ 12** Cont'd

-Review

Week 11—3/24

Exam Two (in class 3/24)

-Risk & Return **RWJ 13**

Week 12—3/31

Risk & Return **RWJ 13** Con'd

-Cost of Capital **RWJ 15**

Week 13—4/7

Cost of Capital **RWJ 15** cont'd

Week 14—4/14

-Capital Structure **RWJ 17** cont'd

Week 15—4/21

Capital Structure **RWJ** 17 cont'd and Review

4/28---In class final exam

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