



TERRY College of Business, The University of Georgia

FINA7020 – MBA Financial Management

S Y L L A B U S

Summer semester 2009; Call-ID: 42-002; Time and Place: Mon & Wed 8:00 – 11:13, Sanford 309

Instructor: Matt Blasko, Ph.D. ; Brooks Hall G6, 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 a review of financial decision-making concepts. Given the concentrated nature of the course, we will cover the basic tools and concepts of corporate finance, investments, and financial markets and institutions. Students will be able to apply the *Time Value of Money* and *Risk-Return* principles to value basic cash-flow streams and securities, projects, and firms. Further topics include the Law of One Price and Asset Pricing, Arbitrage, Diversification, Market Efficiency, Capital Asset Pricing Model, Net Present Value, and Cost of Capital. The course will be composed of lectures, in-class and take-home problem solving and class discussions. Students are encouraged to ask questions and introduce current topics from business periodicals such as the *Wall Street Journal*, *Economist*.

B. PREREQUISITES

Students are expected to have an undergraduate business degree. You should be familiar with basic statistics, economics and accounting concepts, and have working knowledge of Excel.

C. INSTRUCTOR CONTACT

Office Hours: MON & WED 11:15 – 12:30 pm, and by appointment. Brooks Hall G6.

Students are encouraged to stop by during my office hours. Short inquiries are most efficiently and preferably handled before or after each class or thru **email : mblasko@uga.edu** . The response time is very short – usually less than 24 hours. Because of various technology and spam-filter issues, your subject line should read: "FINA7020". Please email me again or talk to me in class 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

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

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

E. COURSE REQUIREMENTS and GRADING

OPTION (1): (a) Final Exam: 50%; (b) Warren Buffett case study: 10%, available thru <http://study.net>, team project; (c) Midterm exam: 20%, Basic valuation problems, TVM concept; (d) Four special homeworks: 20%.

OPTION (2): (a) Final Exam 30%; (b) Buffett case: 10%; (c) Midterm: 10%; (d) Four special homeworks: 20%; (e) *Aplia.com* online practice and graded problem sets: 30%.

The class requires a regular class attendance and a 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. Extra bonus points are awarded for active class participation.

Final Grades: Your course grade (A thru F, Ws) 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 (60-0). I may assign the plus/minus grades, except the C- grade.

Exams: Exams will be administered at the assigned times only, and the missed exam will carry a grade of zero unless explicitly excused. Formats and scope will be announced at least one class period prior to the exam 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 NPV projects.

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.

F. COURSE MATERIALS

(1) Textbook: Any major 'Corporate Finance' textbook is fine, though I recommend :
(a) *Corporate Finance*, by Ross, Westerfield, Jaffe, McGraw-Hill, ISBN-13: 9780073337180. **OR**
(b) *Fundamentals of Corporate Finance*, by Ross, Westerfield, Jordan. ISBN: 007353062x, any version of the 8th edition is fine. NOTE: The *aplia.com* problems mirror the chapters in this textbook, though the (a) text also contains all topics needed to solve *aplia* problems.

(2) Warren Buffett case study. Available thru <http://study.net> See the UGA - FINA7020 course page that I have set up for you. There will be a nominal royalty charge (to Darden Business School, University of Virginia) for the use of this case.

(3) Aplia.com problem sets. I recommend the 'Option (2)' course grading requirement – which involves solving problems at <http://aplia.com>. You will need to register and pay \$35 fee. Further instructions are posted on the course website. Aplia course key: T3SM-TN2A-8VVF.

(4) You need a financial calculator. Please have a financial calculator ready for class and exams. It is your responsibility to know how your calculator works, though we'll review the basic functions in class. My favorite is the Texas Instruments TI – BAII (any of its various versions).

G. CLASS SCHEDULE

	Date	Topic	Lecture Notes
1	July 6, Mon	Introduction; Finance defined; Overview of the basic economics and finance principles	L01
2	July 8, Wed	Warren Buffett case, your analysis is <u>DUE</u> (Q's posted) Markets and Institutions - terminology Time-Value of Money principle, basic cash flow valuation	http:// study.net L02 L03
3	July 13, Mon	Valuation cont. Bond and stock pricing	L04
4	July 15, Wed	Financial Statements Capital Budgeting, NPV & IRR rules HW1 is <u>DUE</u> (TVM/Valuation)	L05 L06
5	July 20, Mon	Midterm EXAM - 60 minutes. Investments, Market efficiency, Risk-return principle HW2 is <u>DUE</u> (Financial statements)	L07
6	July 22, Wed	Investments cont. Portfolio theory, CAPM HW3 is <u>DUE</u> (Gizmo project analysis)	L07
7	July 27, Mon	Corporate financial policies Capital structure, Cost of capital, WACC HW4 is <u>DUE</u> (Sample Exam) Review	L08
8	July 29, Wed	FINAL EXAM, 8 – 11 am	

NOTE1: For those who chose the second course requirement/grading option: aplia graded homework problem sets are due as posted on aplia.com, in addition to the above due dates.

NOTE2: Given the 'refresher' nature of the course, the schedule is subject to change and we may include/exclude topics based on your 'classwide' requests (e.g. topics in international finance, derivatives ...).

TIPS: The end-of-chapters' *Key Terms* and the end-of-textbook *Glossary* provide excellent exam material.