

SYLLABUS FALL 2009

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

Financial Management, FINA 3000

Mark J. Laplante

Course Description: 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"

Course Objectives: The goal is for finance majors to have a strong foundation for their major courses, and for non-finance majors, the goal is to develop a set of finance tools that will be useful in future employment and daily life.

Lecture: T TH, 11:00 to 12:15, North PJ Auditorium, call number 23-066
T TH, 12:30 to 1:45, North PJ Auditorium, call number 43-067
T TH, 3:30 to 4:45, Brooks 145, call number 53-062

Teaching Assistants: To be announced. Contact TAs first with content questions.

TA Emails: fina3000_tas@yahoo.com

TA Office Hours: Office hours will be held in Brooks 289C.

My Office: Brooks 440

My E-mail: marklaplante@terry.uga.edu

My Telephone: 706-542-3656

My Office Hours: Tuesday and Thursday 2:00 to 3:00, and also by appointment

Required Textbooks:

Ross, Westerfield, and Jordan, *Fundamentals of Corporate Finance*, Ninth Edition, ISBN 978-0-07-338239-5

Optional Materials:

"Student Problem Manual for use with Ross, Westerfield, and Jordan," prepared by Thomas Eysell, for previous editions are on reserve at the library.

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.

Evaluation: The course grade will be determined by three examinations and homework assigned the following weights:

| | | |
|-------------|-----|---|
| Homework | 10% | |
| Midterm One | 28% | All sections, Wednesday September 23 rd , 7 to 9:15 p.m. Rooms to be announced |
| Midterm Two | 28% | All sections, Wednesday October 28 th , 7 to 9:15 p.m. Rooms to be announced |
| Final Exam | 34% | Section 11:00, Friday December 11 th , 12:00 p.m. to 3:00 p.m. Section 12:30, Tuesday December 15 th , 12:00 p.m. to 3:00 p.m. Section 3:30, Tuesday December 15 th , 3:30 p.m. to 6:00 p.m. |

Final exams are held in the classrooms where you attend lecture
You must take your final exam with the section for which you are registered

Final: Since many of the ideas we are going to cover build on one another the final will be cumulative.

Homework: For each chapter you will be assigned a problem for which you must write up a similar yet materially different problem. You will also provide the written solutions to the problem. These questions and solutions will be posted for all students to see. The posting will not contain any information that will allow students to be individually identified. You will be assigned one point for each submission that survives the semester. There will be ten required submissions this semester so there are 10 homework points initially available. What does “survive” mean? If another student identifies a material error in your submission they will submit a challenge to fina3000_tas@yahoo.com. If it is determined that the challenge is valid the challenger will be assigned your homework point. The implication then is that you may make 10 submissions but get no points. Also, a student could earn homework points well in excess of ten. Challenges will be evaluated on a first come first serve basis using the time stamp on the fina3000_tas@yahoo.com email. Once a challenge has been validated no further challenges to that submission may be made. Further submission and challenge details will be provided on eLC.

Policies Concerning Grades: Since all grades are determined competitively it is crucial to maintain a fair and level playing field. The following policies are designed and strictly enforced in order to insure that no one student has or gets an advantage over the other students against whom they are competing.

G1. Letter grades will be assigned as follows: Note, plusses/minuses are not represented.

| | <u>Course Score Range</u> |
|----|---------------------------|
| A: | 100 to 85.0 |
| B: | 84.9 to 50.0 |
| C: | 49.1 to 25 |
| D: | 24.9 to 15 |
| F: | 14.9 to 0 |

G2. There are no targets set for plus/minuses. For example, a course score between 100 and 85 will yield an A or A-. The breakpoint between an A and A- is not set until after the final exam. You make assumptions on what the breakpoint will be at your own risk/disappointment.

G3. Following each exam I will post your raw exam score and your percentile score. It is the percentile score that is used to calculate grades. It reflects your performance rank on the exam. **It is the percentage of your peers who performed worse than you on the exam.** For example, if your percentile score is 11% it means that 11% of the students have performed worse than you have and 89% are doing the same or better.

G4. Your “peers” are defined as those students who take the exams with you across all three sections. If students withdraw after an exam your percentile score for the exam you took **will not be affected.**

G5. If you withdraw before Midterm One you will be assigned a “WP”. If you take Midterm One then withdraw you will be assigned a “WP”. If you have an unexcused absence for Midterm One then withdraw you will be assigned a “WF”.

G6. Your grades are determined solely by your performance relative to your peers on the three exams and homework.

G7. All exam and homework scores count in the percentages stated. No grades are dropped.

G8. How your final course score is determined:

$$.28 \times \text{Percentile_Mid1} + .28 \times \text{Percentile_Mid2} + .34 \times \text{Percentile_Final_Exam} \\ + \text{Homework_Points} = \text{Course_Score}$$

For example, if you get a percentile score of 33% on midterm one, 54% on midterm two, 61% on the final exam and have 10 homework points then your course score would be,

$$.28 \times 33\% + .28 \times 54\% + .34 \times 61\% + 10 = 55.10\%$$

Given the course score ranges given above in G1 you would be assigned a whole letter grade of B, but the +/- is unknown beforehand.

G7. There are no make-ups ever.

G9. There is no extra credit available. There is nothing extra you can do at any time to change your letter grade other than performing better on the remaining exams and homework.

G10. If you miss a midterm due to a serious illness you must have written documentation from a physician. Since there are no make-ups additional weight will be put on the final. Specifically,

$$.28 \times \text{Percentile_Mid_taken} + .62 \times \text{Percentile_Final_Exam} + \text{Homework_Points} = \text{Course_Score} .$$

That means 62% of your grade will be determined by your performance on the final exam.

G11. Medical conditions without written documentation are irrelevant. No consideration will be given to a student who claims any illness without written documentation.

G12. If you miss a midterm for a University of Georgia sanctioned varsity athletic event for which I had prior knowledge additional weight will be put on the final.

G13. If you have a sudden death in the family that may prevent you from attending an exam you must provide the following information to me:

1. Name of the deceased.
2. The state and town in which the deceased resided.
3. Your relation to the deceased.
4. The name, address, and phone number of the funeral home handling the final arrangements.
5. A copy of the obituary.
6. The phone number for a contact person listed in the obituary.

After verifying your information you will be assigned an excused absence for the exam and your final will be re-weighted. If you fail to provide all of the information within one week of the exam date you will be assigned a zero for the exam. If the death prevents you from attending one of the final exam sessions you will be assigned an incomplete. You will complete the course by taking a three hour exam on the first academic day of the Spring 2009 semester.

G14. The exam dates and times are set. If you know now that there will be a conflict you have two choices.

- a. Drop the class.
- b. Explain to me in person the nature of your conflict. If I agree that it warrants an excused absence from the exam I will re-weight your final exam.

G15. Once you take an exam the score will count for the full assigned percentage of your grade. After the fact claims of illness, sleep deprivation, conflicts with work, conflicts with sports, conflicts with family, and excuses of any sort will not be considered.

G16. If you start an exam and have a sudden illness or emergency you will not be allowed to complete the remainder of the exam at a later date. Whatever score you get on the incomplete exam counts toward your final grade. Your final exam will not be re-weighted should you be unable to complete a midterm.

G17. Facts such as your scholarship status, timeline for graduating, participation in athletics, or any other particular facts of your life you think are important and bear special consideration with respect to grades are irrelevant. Your grade will be determined solely by your performance relative to your peers.

G18. No special considerations with respect to grades are ever provided to any student ever.

G19. Do not ask me what you will need to get on exam "X" to improve grade "Y" to grade "Z". This would require me to know in advance what your performance will be in the future relative to your peers. As I do not have a crystal ball I cannot answer these questions. 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.

G20. Plusses and minuses are not assigned until after the final exam. Do not contact me concerning what plus or minus grade you might have going into the final as I do not know.

G21. Attendance is not considered in the calculation of grades.

Honor Code:

As a University of Georgia student, you have agreed to abide by the University's academic honesty policy, "A Culture of Honesty," and the Student Honor Code. All academic work must meet the standards described in "A Culture of Honesty" found at: www.uga.edu/honesty. Lack of knowledge of the academic honesty policy is not a reasonable explanation for a violation. Questions related to the course assignments and the academic policy should be directed to the instructor.

ANY violation will be reported to the Office of Academic Affairs and pursued to the fullest extent possible.

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.

Drops: Thursday August 20th: Last day to drop the class without a "W"
Thursday October 22nd: Last day to withdraw from the class with a "W" (withdrew while passing) or "WF" (withdrew while failing). See G5 above.

Academic Accommodations: If you would like to request academic accommodations due to a disability please contact The Disability Resource Center, 114 Clark Howell Hall, 706-542-8719 voice, 706-542-7719 fax, or 706-542-8778 tty. If you have a letter from Disability Services indicating you have a documented disability that requires academic accommodations, please present the letter to me in person as early as possible so we can discuss the accommodations you might need for class. **If we do not meet in person to go over the "blue" form two weeks prior to the exam you will not be assigned any accommodation come the exam.**

!!THE TOPICAL OUTLINE WHICH FOLLOWS IS TENTATIVE.
SEE THE eLC CALENDAR FOR DAILY UPDATES!!

| Topic | RWJ Chapter |
|--------------------------------|--------------------|
| Introduction | 1 |
| Time Value of Money | 5 |
| Discounted Cash Flow Valuation | 6 |
| Bond Valuation | 7 |
| Stock Valuation | 8 |
| Midterm One | |
| Investment Criteria | 9 |
| Making Capital Decisions | 10 |
| Midterm Two | |
| Capital Market History | 12 |
| Risk & Return | 13 |
| Cost of Capital | 14 |
| Capital Structure | 16 |

Strategy for Success

1. **Read chapter before class, get started on recommended problems.**
2. **Address questions in class—need to be in lecture to do this.**
3. **Contact TAs (especially by email. [fina3000_tas@yahoo.com](mailto: fina3000_tas@yahoo.com)) if you do not understand solutions.**
4. **Watch your email in order to benefit from other students' questions.**
5. **Contact me if you do not understand the TAs.**
6. **Use office hours.**
7. **Problems, Problems, Problems.**
Recommended Problems, Self Test Quizzes, Student Problem Manual, Homework submissions.
8. **Read, Watch, Listen, Surf to connect material.**

A Random Walk Down Wall Street, by Burton G. Malkiel.

Nightly Business Report, WGTN Television Channel 8,
weekdays at 11:30 P.M.

Market Place, WUGA 91.7 FM, weeknights at 7:30

Market Place Money, WUGA 91.7 FM, Saturdays at 11:00 A.M.

<http://finance.yahoo.com> (link on eLC)

Name: _____

Time (circle one): **11:00 a.m.** **12:30 p.m.** **3:30 p.m.**

What grade do you reasonably hope to receive in this course (circle one)?

A A- B+ B B- C+ C C- D F

Do you read a business periodical, e.g. *The Wall Street Journal*, on a regular basis? **Yes** or **No**
If so, how many times per week do you read it? **1 2 3 4 5+**

Tell me a little bit about your all-time favorite teacher.

Tell me a bit about how you think you learn best.

Are you currently participating in any varsity sports programs? **Yes** or **No**
If so, which program? _____

Are there any personal details you would like me to know about that might affect your performance in this course, in order that I may make reasonable accommodations?

Do you work while going to school? **Yes** or **No**
If so, how many hours a week do you work (circle one)?

0-5 5-10 10-20 20-30 30-40 41+