Course Syllabus (2017 Summer 2, June)

FIN 4110: Managerial Finance

Instructor: Dr. Lee Sarver
Website: http://www.mtsu.edu/~fsarver
Class Time/Location: Section 001 (50104): MTWR 12:00–2:00, BAS N127
Office Location: Business and Aerospace Building (BAS) N313
Office Hours: MTW 2:00–3:00
Phone; Fax: 615-898-5919; fax 615-898-5596 (in department office)
Email: Lee.Sarver@mtsu.edu

Mission of the Jones College of Business
The mission of the Jones College of Business is to:

- Foster student success in a large business school with a small school feeling created by caring, professional faculty and staff interacting with students as individuals, in small classes, through proactive student organizations, and in a broad range of other settings, with students’ needs constantly of prime consideration;
- Provide career opportunities to our students by capitalizing on our extensive alumni network—82 percent of Jones College graduates live and work in Middle Tennessee; and
- Cultivate an international perspective among students that enables them to contribute to and succeed in the global marketplace.

We will produce graduates from our bachelor, master, doctoral, and executive and continuing education programs who are prepared for challenges and advancements in their chosen careers.

Hope (Lottery) Scholarship
To retain the Tennessee Education Lottery Scholarship eligibility, you must earn a cumulative TELS GPA of 2.75 after 24 and 48 attempted hours and a cumulative TELS GPA of 3.0 thereafter. A grade of C, D, F, FA, or I in this class may negatively impact TELS eligibility. If you drop this class, withdraw, or if you stop attending this class you may lose eligibility for your lottery scholarship, and you may not be able to regain eligibility at a later time. For additional Lottery rules, please refer to your Lottery Statement of Understanding form (www.mtsu.edu/financial-aid/forms/LOTFOD.pdf) or contact your MT One Stop Enrollment Counselor (www.mtsu.edu/one-stop/counselor.php).

Accommodations for Students with Disabilities
Middle Tennessee State University is committed to campus access in accordance with Title II of the Americans with Disabilities Act and Section 504 of the Vocational Rehabilitation Act of 1973. Any student interested in reasonable accommodations can consult the Disability & Access Center (DAC) website www.mtsu.edu/dac and/or contact the DAC for assistance at 615-898-2783 or dacemail@mtsu.edu. ADA accommodation requests (temporary or permanent) are determined only by the DAC. Students are responsible for contacting the DAC to obtain ADA accommodations and for providing the instructor with the Accommodation Letter from the DAC.
Course Description and Learning Outcomes

“A case course emphasizing the financial aspects of management. Topics include financial statement analysis, working capital management, capital budgeting, and cost of capital” (2016–2017 Undergraduate Catalog). Prerequisites: Senior standing; FIN 3010 with a minimum grade of C (2.00); and admission into the College of Business.

You should already be acquainted with the valuation of future cash flows to reflect their size, timing, and risk. Our primary objective is to learn how and when to apply these tools to specific, real-world problems, with particular attention to long-term investment decisions. (Cases may be supplemented by lectures, reviewing the concepts and methods involved.) A parallel objective is the development of spreadsheet skills useful for financial analysis.

Textbooks and Supplementary Materials

Texts: Any principles of finance text. (Required, see online Assignments page for examples)
Cases. (Required, located on course website)
Other: Supplements, as assigned. (Online, free)
MTSU e-mail account; Internet access and .pdf reader. (Required, free)
Calculator: A financial calculator with IRR or YTM, simple statistical functions and the ability to handle uneven cash flows, such as the HP 10B(II) or TI BA II Plus Professional. If you use another, you are on your own.

Course Grading

• Grades are based on the weighted average of scores on four 50-minute in-class exams (25% each). A 10-point “curve” is employed (± scale online). There is no “extra credit”; an Incomplete (I) will not be used in lieu of a poor grade (Catalog). Grades are accessible through Pipeline or D2L, never by phone or e-mail.
• Exams are multiple choice. (Bring scan form #19641.) They cover financial principles, not case details and are not comprehensive. You may bring one 8½×11 page of hand-written/typed notes. (You may use both sides.) Each exam is discussed immediately afterward.
• Exams must be taken as scheduled. There are no make-ups. For one excused absence, the score of the missed exam will be replaced by the average score of your other tests; for an unexcused absence, by zero. For an absence to be excused, you must have a valid reason (e.g., illness, university trip), notify the instructor (in advance, when feasible) and present documentary evidence. If you miss two exams, you must drop the course (or receive an F).
• Use or attempted use of cell phones, tablets, notebooks, iPods or similar devices during an exam will be construed as cheating. Turn them off and put them away.
• The drop deadlines are June 8 (without a grade) and June 24 (with a W).

Finance Tutoring Lab

Additional help may be available. See the course website for times and contact information.

Attendance

Students are expected to attend all regularly scheduled classes, to be prepared and to participate respectfully in discussions. Attendance, preparation and participation are important not only to learning, but also for a satisfactory grade. If you have an excused absence—a verifiable illness, death in the family, business or university trip—you may make up missed classroom work. (You must see me for make-up opportunities.) Otherwise, you will not receive credit. You are absent if you arrive very late or leave very early. Disruptive or chronically absent students may be dropped.
• The responsibility for learning is yours. Keep up with the material (or it will “snowball.”)
  Attend regularly. Do assignments before class and come prepared to discuss them. You cannot learn this material in class alone: allow sufficient study time outside of class. If a point is unclear, ask. Use the office hours.
• You are responsible for any information posted on the course website or sent directly to you at your university e-mail account. Check them regularly.
• Supplementary course materials—e.g., lecture notes—are available only on the course website (not the S:drive or D2L). A password is required.
• Use of cell phones and digital media players during class is prohibited; turn them off and put them away. Recording of classes is prohibited.

• The material presented in this course is the intellectual property of the instructor and/or others. Its recording or reproduction—without express written permission—is prohibited.

**Academic Misconduct**

Middle Tennessee State University takes a strong stance against academic misconduct. Academic misconduct includes, but is not limited to, plagiarism, cheating, and fabrication.

• **Plagiarism.** The adoption or reproduction of ideas, words, statements, images, or works of another person as one's own without proper attribution. This includes self-plagiarism, which occurs when an author submits material or research from a previous academic exercise to satisfy the requirements of another exercise and uses it without proper citation of its reuse.

• **Cheating.** Using or attempting to use unauthorized materials, information, or aids in any academic exercise or test/examination.

• **Fabrication.** Unauthorized falsification or invention of any information or citation in an academic exercise.

“Students guilty of academic misconduct, either directly or indirectly, through participation or assistance, are immediately responsible to the instructor of the class. . . . [who] has the authority to assign an appropriate grade for the exercise or examination, or to assign an F in the course, as is proportional to the nature and extent of academic misconduct” ([Catalog](https://catalog.mtsu.edu/)).
Class Schedule

Come to class prepared to discuss the cases assigned below. The texts of the cases are available on the course website, together with associated spreadsheets. (If necessary, review FIN 3010. Chapters for several texts are listed below; more are on the course website, as are review materials for FIN 3010/4010.) Note: Below, W#A identifies a Web Appendix (online text) available on the course website. Chapter 12 (Cost of Capital) from RWJ8 is also available there.

<table>
<thead>
<tr>
<th>Class</th>
<th>Topic</th>
<th>Cases to Prepare</th>
<th>FIN 3010 Chapters for Review/Reference</th>
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<tbody>
<tr>
<td>M 06/05</td>
<td>Overview of Course</td>
<td>6-46</td>
<td>RWJ 8, 9; B&amp;H 7C; M&amp;S 2; CAN 1; B&amp;H 11</td>
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<td>T 06/06</td>
<td>Time Value of Money</td>
<td>4, 5</td>
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<td>W 06/07</td>
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<tr>
<td>R 06/08</td>
<td>Exam 1: Bring scan form #19641</td>
<td>6, 7</td>
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<tr>
<td>M 06/12</td>
<td>Risk and Return</td>
<td>9, 10</td>
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<td>T 06/13</td>
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<tr>
<td>W 06/14</td>
<td>Exam 2: Bring scan form #19641</td>
<td>10, 11</td>
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<tr>
<td>R 06/15</td>
<td>Security Valuation: Bonds</td>
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<tr>
<td>M 06/19</td>
<td>Security Valuation: Stock</td>
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<td>T 06/20</td>
<td>Firm's Cost of Capital</td>
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<td>W 06/21</td>
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<td>R 06/22</td>
<td>Exam 3: Bring scan form #19641</td>
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<td>M 06/26</td>
<td>Capital Budgeting: Methods</td>
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<td>T 06/27</td>
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<tr>
<td>W 06/28</td>
<td>Capital Budgeting: Project Cash Flows</td>
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<td>M 07/03</td>
<td>Capital Budgeting: Project Risk</td>
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<td>T 07/04</td>
<td>No class: Independence Day</td>
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<td>W 07/05</td>
<td>Capital Budgeting: Optimal Capital Budget</td>
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<td>R 07/06</td>
<td>Exam 4: Bring scan form #19641</td>
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The instructor reserves the right to amend this document, in which event, sufficient notice will be given.