FINN 3120 Financial Management

Fall 2013

Instructor: Debapriti Chakraborty

Department of Finance

Belk College of Business

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Class Meeting Day/Time: 3:30 – 4:45pm TR

Class Location: MCEN 116

Office Hours: Tuesday 2:00-3:00pm, Thursday 2:00 – 3:00pm or by appt

COURSE DESCRIPTION AND OBJECTIVES

Financial management represents the process of planning for, acquiring, and allocating funds by a business enterprise. This semester we will investigate several of the decision-making tools like financial statement analysis and financial forecasting, asset and project valuation, and determination of the firm’s optimal capital structure that help financial managers accomplish the task of planning for, acquiring, and allocating funds within the business. The general market environment will be introduced and the focus will be on developing an awareness of some major financial problems facing modern business organizations as well as individual consumers. By the end of the semester, the student should be in a position independently evaluate alternative solutions to basic problems confronting the financial manager, develop an ability to think, articulate, and valuate problem-solving processes.

PREREQUISITES

Only College of Business students with at least Junior standing are permitted to enroll in this class. In addition, students must have completed MATH 1120; STAT 1220; INFO 2130 (or the College Microcomputer Proficiency Test), ACCT 2121; ACCT 2122; ECON 1201; and ECON 1202
with a “C” or better in each course. **Students who have not met these prerequisites will be dropped from the course.**

**TEXTBOOK**

1. Handouts: Download handouts from Moodle before classes.


   MyFinanceLab Student Access Code **IS REQUIRED.**

**MYFINANCELAB AND MOODLE**

MyFinanceLab is required for this course. Student ID (1-800-xxx-xxx) must be entered into MyFinanceLab when student registers with MyFinanceLab. Student must register for this course in MyFinanceLab within 2 weeks after the semester starts. If you purchased your textbook new through the bookstore, you purchased the text and student access code to MyFinanceLab. If you purchased the textbook separately, you will need to purchase an access code. Directions for setting up your MyFinanceLab account can be found at the end of the syllabus.

**Alternative method of buying book** – You can also buy the access code for myfinancelab for $55 and the ebook for the course along with the access code for myfinancelab for $100 from the website www.mypearsonstore.com. Just put in the title of the book and you should be able to buy it.

In this class we use Moodle. It is available through your 49erExpress account or login directly on: https://moodle2.uncc.edu/login/index.php. It will contain Power Point slides used for lectures as well as in-class problems, and other materials. It is advised that students read the power-point presentations before class for better understanding the material taught in class. I will send you an email to notify you about any announcements or important notifications about the course, so students are responsible for checking their UNC Charlotte student email on a regular basis.

**CALCULATOR**

Much of the course involves quantitative analysis. Consequently, it is **required for each student** to have a financial calculator for this class and be able to use it to calculate time value of money, net present value, and internal rate of return. During exams, sharing calculators and using calculator manuals is strictly prohibited. A **BA-II Plus calculator** is preferred (as I will do problems in the class using that) but you can also use **T1-83** or **T1-84** calculators.

**OTHER MATERIALS**

It is strongly recommended that you read The Wall Street Journal, which helps you understand how the concepts covered in class are applied in “real world” business settings.
**COURSE GRADING**

2 Midterm Exams 30% each

Homework Assignments 10%

Final Exam (Chapters 7-11, 14 and Chapter 17) 30%

Attendance and Participation (Bonus) 5%

**GRADING SCALE**

<table>
<thead>
<tr>
<th>LETTER</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>F</th>
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<tbody>
<tr>
<td>RANGE</td>
<td>90+</td>
<td>80-89</td>
<td>70-79</td>
<td>60-69</td>
<td>0-59</td>
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**HOMEWORK ASSIGNMENTS**

Homework will be assigned for every chapter. Homework assignments are done through the MyFinanceLab program. Late submission of homework will get penalty of 10% cut PER DAY on the grades. Students are encouraged to work in groups to complete and understand homework assignments but need to finish their work independently. Difficult problems will be analyzed at the beginning of class. All assignment grades will be averaged to count for 10% of the final grade. The homework assignments are an important part of the course, and every student is advised to work on the assignments well. The due date for each homework assignment will be announced in class or by email.

**EXAM REVIEW**

A review will be given prior to each exam. The exam reviews are an important guidance for test.

**TEST/EXAM POLICY & REQUIREMENTS**

- The midterm and final exams will be given in multiple-choice. Answers will be recorded on OpScan answer sheets provided by the instructor. A financial calculator and a #2 pencil with a good eraser should be brought to class on test days to record answers on the sheet. Questions are based on the lectures, problem sets, and extra practice questions.

- Students are allowed to bring to the exam ONE 8½"-by-11" letter size formula sheet containing notes and formulas. (Please keep a copy if you need it in the final
Therefore, when preparing for the exam, there is no need to memorize the formulae, and students should focus on the concepts and methods used to analyze problems, and you should understand how to apply the formulae.

- The final exam consists of chapters (7, 8, 9, 10, 11, 14, and 16).

- The dates for the midterm exams are strictly firm, and the final exam will be given according to the University’s final exam schedule.

- Should you miss an exam for a legitimate reason (e.g. medical issue or family emergency), you should inform me before the exam. A physician’s letter or other official documents stating the basis of your absence from the exam is required.

- No makeup exams will be given barring extreme circumstances. You must provide documentation of the reason for absence by a medical doctor or appropriate UNC-Charlotte official. No make-up provision is available for tests missed due to oversleeping, lack of preparation, vacation, social events (including weddings), traffic, trips, etc.

**ATTENDANCE AND PARTICIPATION**

Attendance and participation will account for 5% of the final grade. This is a bonus point, so use it to your advantage. You are expected to attend class on time. A sign-in sheet will be passed around in each class to mark attendance.

I will give surprise in-class quizzes, the grades for which will add towards your participation grade. Also, active participant in class

Active student participation is an important component of the learning process and is expected and encouraged. I strongly encourage each one of you to attend class on a regular basis and actively participate in classroom discussions and activities.

**CLASSROOM PROTOCOL**

- The use of cell phones, beepers, or other communication devices is disruptive, and is therefore prohibited during class. Except in emergencies, those using such devices must leave the classroom to attend it.

- Students are permitted to use computers during class for note-taking and other class-related work only. Computers will not be allowed during exams.
**CODES OF CONDUCT**

Regular attendance, promptness and appropriate classroom decorum is expected. Frequent tardiness or disruptive classroom behavior may result in a substantial grade penalty at the discretion of the instructor. Any use of cell phones during class is disruptive and will not be tolerated. Students may not use cell phones during an exam.

Academic dishonesty is not tolerated by The Belk College of Business Administration or the instructor. Students are expected to be familiar with the university’s academic integrity policy.

This policy can be found online at [http://www.legal.uncc.edu/policies/ps-105.html](http://www.legal.uncc.edu/policies/ps-105.html). Violations will be dealt with in the manner specified by the most recent edition of the UNC-Charlotte Code of Student Academic Integrity.

**Disability Services:** Students in this course seeking accommodations to disabilities must first consult with the Office of Disability Services (phone 704-687-4355, 230 Fretwell Building) and follow the instructions of that office for obtaining accommodations.

**Diversity**

*The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.*
<table>
<thead>
<tr>
<th>Date</th>
<th>Textbook Chapters</th>
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<tbody>
<tr>
<td>8/20/13</td>
<td>Syllabus, Ch.1- Foundations of financial management</td>
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<tr>
<td>8/22/13</td>
<td>Ch.1- Foundations of financial management</td>
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<tr>
<td>8/27/13</td>
<td>Ch.2- Financial markets and interest rates</td>
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<td>8/29/13</td>
<td>Ch.2- Financial markets and interest rates</td>
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<td>9/3/13</td>
<td>Ch.3- Understanding financial managements and cash flow</td>
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<td>9/5/13</td>
<td>Ch.3- Understanding financial managements and cash flow</td>
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<td>9/10/13</td>
<td>Ch.4- Evaluating a firm’s financial performance</td>
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<tr>
<td>9/12/13</td>
<td>Ch.4- Evaluating a firm’s financial performance</td>
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<tr>
<td>9/17/13</td>
<td>Review for Midterm 1(Chapters 1, 2, 3 and 4)</td>
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<td>9/19/12</td>
<td>Midterm 1 (Chapters 1, 2, 3 and 4)</td>
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<tr>
<td>9/24/13</td>
<td>Ch.5- The time value of money</td>
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<td>9/26/13</td>
<td>Ch.5- The time value of money</td>
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<td>10/01/13</td>
<td>Ch.6- The meaning and measurement of risk and return</td>
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<tr>
<td>10/03/12</td>
<td>Ch.6- The meaning and measurement of risk and return</td>
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<td>10/08/12</td>
<td>Student Recess - No Classes</td>
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<td>10/10/12</td>
<td>Ch.7- The valuation and characteristics of bonds</td>
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<tr>
<td>10/15/12</td>
<td>Ch.7- The valuation and characteristics of bonds</td>
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<tr>
<td>10/17/12</td>
<td>No classes</td>
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<tr>
<td>10/22/12</td>
<td>Ch.8- The valuation and characteristics of stock</td>
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<tr>
<td>10/24/12</td>
<td>Ch.8- The valuation and characteristics of stock</td>
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<tr>
<td>10/29/12</td>
<td>Review for Midterm 2 (Chapters 5, 6, 7 and 8)</td>
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<td>10/31/12</td>
<td>Midterm 2 (Chapters 5, 6, 7 and 8)</td>
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<tr>
<td>11/5/12</td>
<td>Ch.9- The cost of capital</td>
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<tr>
<td>11/7/12</td>
<td>Ch.9- The cost of capital</td>
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<tr>
<td>11/12/12</td>
<td>Ch.10- Capital budgeting techniques and practice</td>
</tr>
<tr>
<td>11/14/12</td>
<td>Ch.10- Capital budgeting techniques and practice</td>
</tr>
</tbody>
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*Note: Midterms are tentative and subject to change.*
11/19/12  Ch.14- Short-Term Financial Planning
11/21/12  Ch.16- International Business Finance
11/26/12  Ch.16- International Business Finance/ Ch.11- Cash flows and other topics in capital budgeting
11/28/12  Thanksgiving Break - no classes
12/03/12  Ch.11- Cash flows and other topics in capital budgeting / Review for final (Chapters 7, 8, 9, 10, 11, 14, 16)
12/07/12  Final Exam (Chapters 7, 8, 9, 10, 11, 14 and 16)
MY FINANCE LAB

Steps to register

Step 1: Register to Myfinancelab

1. Go to www.myfinancelab.com and click the Student button in the register section.

2. Enter your course ID: chakraborty06198

3. Choose to register an access code or buy access.

4. Follow the instructions to set up your login and password for your course.

Step 2: Enroll in your instructor’s course

1. Login to Myfinancelab at www.myfinancelab.com with your newly created login name and password.

2. Enter your course ID: chakraborty06198

If you have purchased access, visit Textbook Resources inside your instructor’s Course for additional purchase options.
How students enroll

To enroll in a typical course, a student needs to have a:

- **Student access code, a valid credit card, or a PayPal account**—Students get an access code with a new book purchase or by buying the code separately in a student access kit/card at the campus bookstore. Students can also buy access to a course online with a credit card or PayPal account while they are enrolling.

  The student access code is nontransferable and can be used only once.

If a student is waiting for financial aid, they can access your course without payment. This option grants a student temporary access to your course for 17 days. For more information, see To request temporary access.

- **Course ID**—This number, which identifies your particular course, consists of your last name followed by five digits, for example, wong63229. You must give your students the course ID before they can enroll.

- **Email address**—The student's registration and enrollment confirmation will be sent to this email address. This address is also available to you, the instructor, for course-based communications.

A student who does not already have a Pearson account and is enrolling for the first time should follow the registration instructions from the Students area of the MyLab and Mastering website.

To assist these students, print the instructions and distribute them, along with the course ID for your course.

A student who already has a Pearson account performs the steps in Registering and Enrolling in a New Subject below to enroll in a new course.

To assist these students, copy the instructions to a document and distribute. You may want to enter your course ID in the space provided in step 2.

**Note:** Students who need to enroll in another course based on the same textbook as a current or previous course should go through their Pearson Account profile to enroll. They do not need to use a new access code or make a payment. Direct these students to:

a. Go to https://register.pearsoncmg.com/userprofile and sign in.

b. Under the list of MyLab and Mastering products, click **Enroll in a Course**.

c. Enter the course ID received from the instructor of the new course, confirm the course information, and click **Continue**.

If the student is prompted to provide an access code or purchase course access using a credit card or PayPal, the course materials do not match the previous course. The student should contact the instructor.

d. Click **Enter Course Now** to start using the new course.

Register and Enroll in a New Subject

1. Go to the MyLab and Mastering website and click **Student** in the Register area.

2. Enter the course ID you received from your instructor for your new course, and click **Continue**.

   **Course ID:**

3. Follow the instructions to either:

   Use a student access code, purchase access online, or request temporary access.

To use a student access code:

1. Go to the MyLab and Mastering website and click **Student** in the Register area.

2. Enter the course ID provided by your instructor and click **Continue**.

3. After verifying your course information, enter your username and password, and click **Sign In**.

4. If you don't have a Pearson account, click **Create an account**.

5. Complete the Create an Account page. Helpful hints display to guide you.

6. Read and accept the license agreement.

7. Optionally, you can select the check box to help us make our products better and learn about new offers.

8. Click **Create Account**.

9. Click Access Code and enter your six-word access code in the boxes.

10. Click **Finish** to complete your registration.

11. Click **Go To Your Course** to access your online course.
To purchase course access online:

1. Go to the MyLab and Mastering website and click Student in the Register area.
2. Enter the Course ID provided by your instructor and click Continue.
3. After verifying your course information, enter your username and password, and click Sign In.
4. If you don’t have a Pearson account, click Create an account.
5. Complete the Create an Account page. Helpful hints display to guide you.
6. Read and accept the license agreement.
7. Optionally, you can select the check box to help us make our products better and learn about new offers.
8. Click Create Account.
9. Select the button for the access level you want.
10. Select whether you want to pay with a credit card or use PayPal and enter payment information.
11. Click Review to review your order details. If you need to change anything, click the Change link.
12. Click Make Payment to submit your order.
13. Click Go to Your Course to access your online course.