Instructor: Dr. Blenman
E-mail: lblenman@uncc.edu.

Office Hours. T 5.00 pm-6pm; and by appointment
Class- T R 3.30 p.m.-4.45 p.m.; McEniry 117


Outline of Class Schedule
Topic 1. Overview: Financial Management and the Financial Environment- Lecture 1; Ch. 1; Aug. 20

Topic 2. Risk and Return, Part I- Lecture 2, Ch. 2; Aug. 22nd - 29th.

Topic 3. Risk and Return, Part II- Lecture 3, Ch. 3; Aug. 29th. - Sept. 10th.

Topic 4. Bond Valuation- Lecture 4, Ch. 4; Sept. 10th. - 19th.

(First assignment set to be posted on Moodle. To be completed and turned in before 22nd. September.)

Midterm Examination #1, Sept. 24th.
Topic 5. Stock Valuation- Lecture 5, Ch. 5; Oct. 1\textsuperscript{st}. – Oct. 10\textsuperscript{th}.
Student Recess Oct. 7\textsuperscript{th} - 8\textsuperscript{th} (no classes)

Topic 6. Financial Options- Lecture 6, Ch. 6.; Oct. 10\textsuperscript{th}.-17\textsuperscript{th}.

Topic 7. Accounting for Financial Management- Lecture 7, Ch-7; Oct. 17\textsuperscript{th}.-24\textsuperscript{th}.

Topic 8. Financial Statement Analysis- Lecture 8, Ch. 8; Oct. 29\textsuperscript{th}. – Oct. 31\textsuperscript{st}.
(Second assignment set to be posted on Moodle. To be completed and turned in before November, 3\textsuperscript{rd}.)

Midterm Examination #2, Nov. 5\textsuperscript{th}.

Topic 9. Determining the Cost of Capital. – Lecture 9; Ch. 10.; Nov. 12\textsuperscript{th}.-14\textsuperscript{th}.

Topic 10. Capital Budgeting: Decision Criteria, Lecture 10, Ch.12; Nov. 14\textsuperscript{th}. -21\textsuperscript{st}.

Lecture 11, Ch. 13; Nov. 21\textsuperscript{th}.-26\textsuperscript{th}.

Student Recess Nov. 27\textsuperscript{th} – Nov. 30\textsuperscript{th} (no classes)

Topic 12. Capital Structure Decisions: Part I- Lecture 12, Ch.15; Nov. 26\textsuperscript{th}.-Dec. 3\textsuperscript{rd}.
(Third assignment set to be posted on Moodle. To be completed by December, 3\textsuperscript{rd})

(December 5 No Classes-Reading Day)
Course Description

The course deals with modern finance theory and its applications to corporate finance. The course will cover equilibrium asset pricing models, efficient markets hypothesis, risk analysis and real options theory in corporate decision-making. The topics of informational asymmetry, optimal corporate structure and dividend policies will also be investigated in detail. Agency conflicts and their impact on corporate performance, financial restructuring and leasing policies will conclude the set of issues to be analyzed.

Course Objectives

The objectives of the course are to ensure that all students have a mastery of the elements of corporate finance and are able to utilize the discussed theories and models to evaluate stocks, bonds, leases and to assess risk in the corporation. Students will be expected to measure cost of capital, make optimal capital budgeting decisions and to determine the best dividend policies and capital structures. They will also be expected to be able to assess agency costs and formulate plans for restructuring, if capital structures are incompatible with the objectives and resources of the firm.

Grading.

Grades will be assigned solely on the basis of performance on (3) written in-class examinations (the final examination and 2 midterms) and your performance on the graded assignments. The midterm examinations are weighted (25%) each. The final examination is weighted 40%. There is a 10% weight for the assignments. All assignments and their answers are to be posted on Moodle. Assignment #3 is a non-graded assignment.
Students are encouraged to pay special attention to all worked examples and the assignments. These will be closely related to the material on the midterms and the final examination. Grades will be assigned solely on the basis of scores on the following scale A, 100-90; B, 89-79; C, 78-68; D, 68-58; F, 57-0.

**Exams and Attendance**

All exams will be based on multiple choice questions. The same format will cover all three in-class exams. This semester there will be a maximum of 25 questions on each exam. Some questions will require specific numerical answers and others will require conceptual knowledge. You will have to select one answer which you think is the most appropriate answer for the question given. **Attendance will be taken daily and at all exams. Make sure that you are punctual for all exams.** The exams will be handed out at least 5 minutes before the start of class so that all will have the minimum amount of time allotted for the class period to get it done. (75 minutes.)

**Formulas and their Usage**

Modern finance is very quantitative for the most part. In many cases the formulas you will need are already embedded within your calculator. This is true of bond pricing problems and other elementary time value problems. In other cases, different types of formulas are required. I will permit you to bring to each exam, a single page with any formulas written on it, both sides if you wish. **No written solutions to problems should be on that page.** If you do that it will be viewed as an act of dishonesty.

**Absences from Examinations.**

There will be no makeup or early examinations of any sort. The Final Examination must be taken at the scheduled date and time. If you cannot take the Final Examination for medical reasons, you will be awarded an “I” and can complete the course requirements the following semester. If you miss one midterm examination, your final examination will have a 65%
weight. If you miss two midterm examinations you will be assigned an “F” for this course.

**Assignments and Lectures**

The principal method of instruction will be primarily by means of lectures via PowerPoint. Where appropriate I will point out the relevant sections in your textbook. We cannot go through all the textbook materials as well as the Power Point materials, within the confines of the class period. So I have chosen to work with the Power Point slides and indicate to you what parts of the textbook should not be covered. All required information about the course is already posted on Moodle prior to the start of the semester.

We are using a new edition of the textbook this semester, so old exams may not be an appropriate way to prepare for exams in this course. Old exams are circulating and you may use them at your discretion. I will not provide any typical sample exams, however I have posted past exams and problems using the current format from Fall 2012. Students are expected to actively participate in classroom discussions and in the solving of class room problems. **You should be prepared for class by reading the assigned chapters, before the class meets.**

Solving problems, reading the textbook and participating in classroom discussions are ways in which you can work to improve your understanding of the course material. Students are encouraged to come to my office and discuss the material as we cover them in class. Check your university email weekly and the Moodle site for any additional materials that I may post or distribute to the class electronically.

Students are expected to have a single, good non-programmable financial calculator to assist them in solving assigned problems. **Make sure that you know how to use your own calculator as calculator use is your responsibility not mine.** Set your calculator to be accurate up to eight (8) decimal places. Since corporate finance is a dynamic and constantly changing area students are expected to keep abreast of current events in financial markets. This can be achieved by reading the Wall Street Journal, Business Week or Euromoney, which are all good sources for current information.
Office Hours Policy

Students are always welcome to come to my office to discuss any problems relating to materials or examples discussed in class. Students should take advantage of this time to discuss with me, questions derived from the textbook or any other questions of interest.

Academic Integrity

Students are advised to apprise themselves of, and adhere to the rules specified in the UNC-Charlotte code of student integrity regulations, which will be strictly enforced in this class.

Diversity Statement

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.

Computation Of Your Final Course Average.

Suppose that your scores are Assignment #1, 80%, Assignment # 2, 90%, MT #1-90%, MT#2-84%, Final Exam-100%. Your course score is computed using the following formula (MT#1 Score+MT#2 Score)(.25)+(Final Exam)(.4)+(Assignment # 1 Score+ Assignment # 2 Score)(.05). In this example the average score is 92. This means that you have earned an “A” for the course. If you do not understand how to compute your final grade, do not hesitate to ask. This is the sole basis for determining your final grade. There are no dropped exams.