

**FINANCE 5013 – MBA BUSINESS FINANCE**  
**Instructor: David A. Carter, Ph.D.**  
**Spring Semester, 2016**

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**Course Site:** Desire2Learn (Online Classroom): <http://oc.okstate.edu>

**Distance Learning**

**Support:** Twitter: @spearsdistance  
<http://cepdsupport.wikispaces.com>

**Email:** [spearsdistance@okstate.edu](mailto:spearsdistance@okstate.edu) Phone: 405-744-4048

**Textbooks &**

**Supplies:** Ross, Stephen A., Randolph W. Westerfield, and Jeffrey Jaffe, 2010, *Corporate Finance, 10<sup>th</sup> edition*, McGraw-Hill/Irwin. (ISBN: 978-007-803477-0)  
[Required]

Mayes, T.R. and T.M. Shank, 2012, *Financial Analysis with Microsoft Excel, 6<sup>th</sup> ed.*, South-Western. (ISBN: 978-1111-82624-6) [Optional – useful if your Excel skills are weak]

You will also need a financial calculator - I use a Texas Instruments BAII Plus (a BAII plus can be purchased for around \$30).

Finally, the Wall Street Journal is a great source for business and financial news. I encourage you to read it. A semester-long student subscription is available at a reasonable cost.

**Prerequisites:** Graduate standing.

**Purpose:** The objective of this course is to provide you with a broad exposure to the theory and practice of corporate financial decision-making. We will study a number of important concepts, including: time-value-of-money, financial statements, risk and return, and capital budgeting. Additionally, we will focus on the use of a spreadsheet (e.g., Microsoft Excel) to develop models that can be used in the financial decision-making process. Therefore, in addition to learning and applying finance concepts, you will also improve and refine your computer skills.

**Course Goals:**

<b>Course Objective</b>	<b>MBA Program Learning Goal</b>
Students should be able to use accounting data to make financial decisions about the firm.	Decision Analysis
Students should be able to find the present value (PV) and future value (FV) of a single cash flow, annuities, and perpetuities.	Decision Analysis
Students should be able to use discounted cash flow analysis to value stocks and bonds, and to build spreadsheet models to evaluate the proposed investment in capital assets by the firm.	Critical Thinking Decision Analysis
Students should understand how uncertainty affects a proposed investment in capital assets by the firm and be able, through the use of appropriate technology, to analyze the impact of the uncertainty.	Critical Thinking Decision Analysis
Students should understand the relation between risk and return.	Decision Analysis

**Grading:** The grading for this course will be weighted as follows:

Assignments	25%
Midterm Exams (2 @ 25%)	50%
Comprehensive Final Exam	25%
Total	100%

I will use the following grade scale to assign a final letter grade for the course (note: I reserve the right to make adjustments to the grade scale as necessary, nevertheless, it will not be more difficult to receive a given letter grade than shown below):

- A = 90% +
- B = 80 to <90%
- C = 70 to <80%
- D = 60 to <70%
- F = <60%

*Exams.* There will be two midterm exams and a **comprehensive** final exam given during the semester. I will give a window of several days within which to take

the exams. The exams are to be proctored, so you will need to identify a testing facility where you can take your exams. If you are testing at a testing center on the Stillwater, OSU-OKC or OSU-tulsa campuses then only fill out a Student Information Form. If you are testing anywhere else you will need to fill out a Proctor Agreement Form: <http://spears.okstate.edu/distance/forms/>

**I DO NOT** drop the lowest exam score. However, I will replace your lower midterm score with your score on the final (assuming the final score is higher than one of the midterms). This means that if you miss **ONE** of the midterms (or do poorly on a midterm), the weight of the final exam will be increased to reflect the missed exam. A subsequent missed exam will result in a grade of zero.

If the average score on any exam (midterm or final) is less than 80%, I will adjust scores upward so that the average is 80%. If the average is above 80%, no adjustment will be made (I will not adjust downward).

*Assignments.* There will be a number of assignments due during the semester. Assignments turned in after I post the answer key will be considered late, unless you have made prior arrangements with me. Late assignments will be accepted for one-third credit. You may discuss the assignments with your classmates but I expect that the assignment you turn in will be your own work. Duplicate wording or formatting on assignments will be considered cheating and penalized according to university policy.

**Disability:**

According to the Americans with Disabilities Act, each student with a disability is responsible for notifying the University of his/her disability and requesting accommodations. If you think you have a qualified disability and need special accommodations, you should notify the instructor and request verification of eligibility for accommodations from the Office of Student Disability Services (315 Student Union). Please advise the instructor of your disability as soon as possible, and contact Student Disability Services, to ensure timely implementation of appropriate accommodations. Faculty have an obligation to respond when they receive official notice of a disability but are under no obligation to provide retroactive accommodations. To receive services, you must submit appropriate documentation and complete an intake process during which the existence of a qualified disability is verified and reasonable accommodations are identified. Call 744-7116 or <http://sds.okstate.edu> for more information.

**University**

**Drop Policy:**

Information about university drop policy and dates can be found at: <http://registrar.okstate.edu/>. Select the term (e.g., Fall 2014 Academic Calendar) and then click on the orange “Short, Internet, and Outreach Class Schedules” link. Finally, select the appropriate term to get the drop dates for this course. To drop this course, contact the Registrar’s office, (405) 744-6876, or drop through SIS (Student Information Services).

**Academic  
Dishonesty:**

Oklahoma State University is committed to the maintenance of the highest standards of integrity and ethical conduct of its members. This level of ethical behavior and integrity will be maintained in this course. Participating in a behavior that violates academic integrity (e.g., unauthorized collaboration on homework or assignments, plagiarism, multiple submissions of the same assignment, cheating on examinations, fabricating information, helping another person cheat, having unauthorized advance access to examinations, altering or destroying the work of others, and fraudulently altering academic records) will result in your being sanctioned. Violations may subject you to disciplinary action including the following: receiving a failing grade on an assignment, examination or course, receiving a notation of a violation of academic integrity on your transcript, and being suspended from the University. You have the right to appeal the charge. Contact the Office of Academic Affairs, 101 Whitehurst, 405-744-5627, or see <http://academicintegrity.okstate.edu> for details.

### CLASS SCHEDULE AND ACTIVITIES

This schedule serves as a **guide** only. It may be necessary to make adjustments from time-to-time. I will announce any changes on D2L.

Week		Topic	RWJ Chapter
1	10-16 January	Course Introduction / Introduction to Corporate Finance	1
		Financial Statements & Cash Flow	2
2	17-23 January	Financial Statements & Cash Flow	2
		Financial Statement Analysis & Financial Models	3
3	24-30 January	Financial Statement Analysis & Financial Models	3
		Discounted Cash Flow Valuation	4
4	31 Jan – 6 Feb	Discounted Cash Flow Valuation	4
5	7-13 February	Interest Rates & Bond Valuation	8
6	14-20 February	<b>MIDTERM EXAM #1 (15-19 February)</b>	
7	21-27 February	Stock Valuation	9
8	28 Feb – 5 March	NPV & Other Investment Rules	5
9	6-12 March	Making Capital Investment Decisions	6
	13-19 March	<b>*** SPRING BREAK ***</b>	
10	20-26 March	Risk Analysis, Real Options, & Capital Budgeting	7
11	27 March – 2 April	Risk & Return: Lessons from Market History	10
12	3-9 April	<b>MIDTERM EXAM #2 (4-8 April)</b>	
13	10-16 April	Risk & Return: The CAPM	11
14	17-23 April	Risk, Cost of Capital, & Capital Budgeting	13
15	24-30 April	Efficient Capital Markets & Behavioral Challenges	14
	2-6 May	<b>FINAL EXAM WEEK</b>	