

**Spears School of Business
Department of Finance
Finance 5053.503 Syllabus
Spring 2016**

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Office Hours: 9:30-11:30 MW 1:30-3:00 TTh Other hours by appointment.

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

Distance Learning (DL) Support: spearsdistance@okstate.edu, 405-744-4048

Technical Assistance for Video Lectures: http://ra.okstate.edu/stw_ssb/cepd/VideoHelp

Prerequisites:

FIN 5013 or equivalent and prior or concurrent enrollment in ACCT 5103 or equivalent.

This class builds on the concepts, theories and applications in FIN 5013. Prerequisite may be waived by MBA director under their course waiver policy.

Course Objectives and Goals:

Course Objectives	Program Learning Goals
Students should be able to understand, quantify, and utilize the concepts of risk and return in financial decision-making.	<ul style="list-style-type: none"> • Business Knowledge & Competency • Critical Thinking • Ethical Decision-Making • Technological competence
Students should be able to estimate and utilize cash flow and evaluate the financial condition of a business.	<ul style="list-style-type: none"> • Business Knowledge & Competency • Critical Thinking
Students should understand and utilize time value of money concepts and techniques using various methods.	<ul style="list-style-type: none"> • Business Knowledge & Competency • Critical Thinking • Technological competence
Students should be able to understand the theory and application of the long-term financing of a business.	<ul style="list-style-type: none"> • Business Knowledge & Competency • Critical Thinking • Technological competence
Students should be able understand the theory and application of the capital structure, cost of capital, dividend policy, and mergers of a business, specifically a corporation.	<ul style="list-style-type: none"> • Business Knowledge & Competency • Critical Thinking • Ethical Decision-Making • Technological competence
Students should be able to understand, quantify, and utilize the options in financial decision-making.	<ul style="list-style-type: none"> • Business Knowledge & Competency • Critical Thinking • Ethical Decision-Making • Technological competence
Students should be able to identify, analyze, and implement the various management techniques of working capital.	<ul style="list-style-type: none"> • Business Knowledge & Competency • Critical Thinking

Textbook and Required Materials:

Ross, Westerfield, and Jaffe. Corporate Finance. 10th Edition, 2013. Each student will enroll in Connect through the Connect Finance web portal. Instructions on how to enroll in Connect are available on D2L. Connect is a web based homework application and learning platform which also includes an ebook.

<http://connect.mheducation.com/class/t-johansen-fin-5053503-spring-2016>

http://highered.mcgraw-hill.com/sites/0077511301/student_view0/

Microsoft Excel and Financial Calculator:

Most problem-solving in this class will be facilitated with the use of Microsoft Excel. Students will also need to have a Texas Instruments BA II Plus or the Texas Instruments BAI Plus Professional financial calculator and the accompanying instruction booklet. Both Excel and the TI BA II Plus financial calculator can be used to solve problems in homework and on exams. The BA II Plus has been approved for use on the following professional exams: Chartered Financial Analyst® (CFA®), Certified Financial Planner® (CFP®), GARP® Financial Risk Manager (FRM®), and the Certified Management Accountants exam.

Optional Materials:

The Wall Street Journal (WSJ) is our recommended publication for current events. Free subscriptions to the WSJ are available for OSU students.

Purpose:

This class will build upon the cash flow and valuation concepts presented in 5013. In addition, we will be introducing and using Excel spreadsheets in addition to financial calculators to assist in the financial analysis. The main focus of this class will be in corporate investment and financing decisions, corporate valuation and wealth creation, and risk analysis. Topics in this class will include the cost of capital, capital budgeting, corporate valuation, capital structure and dividend policy. In addition, we will also look at forecasting and financial planning.

Student Commitment:

You should budget adequate time each week for reading the textbook and completing all assignments. You will be responsible for keeping up to date with all lessons and assignments. Online courses take as much time, if not more, to complete successfully as traditional courses. Video lectures will be available on D2L. Be sure to take advantage of these videos, as well as the other resources available on D2L. **DO NOT GET BEHIND!** Put all the due dates and deadlines on your calendar and budget your time wisely.

GRADED ASSIGNMENTS**Examinations:**

There will be two exams for the class. Each exam will be worth 150 points. Exams will be mostly objective. Subjective questions will also be used where appropriate. The exams will cover both conceptual and application topics. Exams will be completed online using Connect Finance. Students will have the opportunity to take each exam up to three times with the highest score attained counted towards the final grade. Each exam will consist of 50 questions selected randomly from a very large test bank, therefore each exam attempt will be a different set of questions. Students are on their honor to complete the exams without

outside assistance. Students will only be allowed to use either Excel or a financial calculator and their book when taking exams. It is not necessary to take the exams at a testing center. **Students are on their honor to take the exams by themselves according to the rules set forth.** Please see the academic integrity policy if you have questions.

Test Instructions:

Multiple Choice: Select the best possible answer. There are 50 multiple choice questions worth 3 points each. The test will be completed on Connect. You have three opportunities to complete this exam to attain a desired score. The highest score of your three attempts will be included in the final grade calculation. Each test will be different, in that, it will consist of 50 randomly selected questions from a large test bank. It is very likely that you will get a completely different test with each attempt. The test will not have any questions from the review chapters. It will cover chapters _____. You have a window of time to complete your exam attempts. You have 2 hours to complete each attempt. This is a closed test, that is, you are **ON YOUR HONOR** to complete the test by yourself with no outside assistance. You are not required to take the test at a testing center or proctored site. You may use your book, as well as Excel and/or the financial calculator for calculations. You are **NOT** allowed to have other windows or programs open on your computer. When you have completed each test, you will be able to see a score. After the due date, detailed feedback will be available. You may **NOT** print, copy, or replicate the test in any way. **Honesty and integrity** are very important and expected from everyone, therefore, **YOU ARE ON YOUR HONOR** to follow the instructions.

You may NOT use cell phones, pagers, PDAs, or other multifunction devices as calculators during the exams or quizzes. Calculators that can communicate with other calculators, have alphanumeric capabilities or are programmable may not be used on exams or quizzes. For example, a TI-83 may not be used on an exam or a quiz. In addition, you may not share calculators for exams or quizzes. No exceptions. Violation of any of these policies will be considered a violation of the university's academic integrity policy.

Online Quizzes:

Students will be required to take online quizzes covering the chapter/topics studied in the class. The quizzes will be from the publisher provided test bank (covering topics in the text chapters) and **completed on Connect**. Quizzes will be timed, but you may use the text during the quiz. The highest ten quiz grades will be averaged and be worth 100 points in the final grade. For example, if the average of the top ten quiz scores is 90%, then the student will receive 90 points toward the final grade. To provide maximum flexibility the due date for the first ten quizzes is February 26th, which is before exam #1. The due date for the next five quizzes is April 25th, which is before the final exam. It is advisable to complete the quizzes during the time that you are studying the appropriate material. Each quiz is an individual assignment and should reflect your effort only. Students should not take quizzes together. Please see the academic integrity policy if you have questions.

Mini-Cases:

Each student will be required to complete two mini-cases. The cases are individual assignments and should represent individual solutions, work and effort. Each case will be worth 50 points and will cover topics that have been discussed and presented in the text, discussion and class lectures. More information concerning format and expectations will be given for each case when it is assigned. **The mini-cases should be completed as if the student was a financial analyst for the firm in question. Since the mini-case is a problem for you the**

analyst, approach the problem as an analyst. Do not just simply answer the questions provided in the case. Explanation of some of the numbers is necessary. The person you are reporting to may not be as familiar with certain numbers as you, the analyst, therefore providing concise descriptions or explanations only enhances your analysis. Identify the problem, state assumptions, gather information, evaluate and interpret the information, identify options, then make a decision based on your analysis. An example of an analysis is available on D2L.

GRADING PROCEDURE

The grade in the class is a grade for the entire semester. Therefore, only the final course grades will be curved, if needed. Individual tests and assignments will not be curved. There are 500 possible points, and grades will be determined as:

Exams (2)	300
Mini-Cases (2)	100
Online Text Quizzes	<u>100</u>
Total Points	500

A	90%	450 points and above
B	80%	400 to 449 points
C	70%	350 to 399 points
D	60%	300 to 349 points
F	below 60%	below 300 points

ADDITIONAL LEARNING RESOURCES

LearnSmart:

LearnSmart is an adaptive learning system that evaluates a student's strengths and weaknesses based on answers to questions drawn from each chapter in the textbook. The LearnSmart program develops an individualized plan of study to help a student prepare for the graded homework and exams. Each student will have a unique plan of study identifying the student's area(s) of weaknesses to be used to master the material covered in the course. The LearnSmart assignments are resources provided to assist the student in mastering the course material. **The LearnSmart assignments do not count toward your final grade. They are completely optional.**

Practice Problems:

Also available on Connect Finance are practice homework problems for each chapter. The practice homework consists of the end-of-chapter questions and problems. The practice homework consists of both static and algorithmic problems. Static problems are the same each time that a problem is accessed therefore you may get the same problem more than once. Algorithmic problems consist of a different set of numbers each time they are accessed. There will be an unlimited amount of attempts available on the practice homework to assist you in studying for the quizzes and tests. **The practice homework does not count toward your final grade. They are completely optional.** Detailed feedback will be available after each problem has been completed.

D2L Resources:

Handouts, examples, mini-case information and other additional materials will be posted on D2L.

ADDITIONAL POLICIES

Drop Policy: The official university drop policy will be followed.

Academic Integrity Policy:

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, <http://academicintegrity.okstate.edu/>

Students with Disabilities:

If any member of the class believes that s/he has a physical, emotional or psychological disability and needs accommodations of any nature, the instructor will work with you and the university Office of Student Disability Services (Stillwater: SU 315, 405-744-7116 v/t; Tulsa: 103 North Hall, 918-594-8354) to provide reasonable accommodations to ensure that you have a fair opportunity to perform in this class. Please advise the instructor of such disability and the accommodations as soon as possible. You will need to also contact the Student Disability Services office in order to receive accommodations. No accommodations will be made without prior notification.

Student Responsibility:

You are responsible for all material presented in class, the book, and material covered in Connect Plus. Many handouts, example problems, PowerPoint presentations, etc. will be available on D2L.

Internet Netiquette Guidelines:

A melding of the words "network" and "etiquette", **netiquette** refers to the manner in which communication is conveyed in an electronic environment.

Here are some guidelines for communication within this course:

- **REFRAIN FROM USING ALL CAPS.** It is considered SHOUTING when communicating online.
- Do not post or forward offensive or racially insensitive jokes or comments.
- Be careful with humor and sarcasm.
- Don't respond to personal attacks: Contact the instructor for action and referral.
- Always add in the subject line a concise statement describing the email or discussion post.
- Respect others' opinions. If you disagree with what another has said, post your thoughts in an objective, respectful manner. Do not make remarks that can be taken personally.
- Reflect upon the text you have entered before posting.

- Keep the discussion within the scope of the course material.
- Communication should be grammatically correct. Adhere to correct sentence structure, grammar, and spelling conventions. Proofread for errors before posting a message.
- Before you respond to a threaded message, read all the messages related to that message that have been previously posted.
- Send out an email to a group using the blind carbon copy field – BCC does not allow your recipients to view who was sent the email.

Professionalism in Email:

Please be professional when corresponding with your instructor via email. Use a proper opening (i.e., Dear Dr. XYZ or Dear Instructor XYZ), grammar, punctuation, and closing. Informal digital texting is ok when you are corresponding among friends but is not acceptable when communicating with your instructor or other OSU staff. Also, this policy will help you establish professionalism in digital communications when looking for a job and working in a professional position.

Office Hours:

Office hours are specifically for the purpose of addressing questions and problems related to class and are reserved for students. Office hours are on a first come, first served basis. If you cannot come during office hours, then make an appointment with the instructor. You cannot jump to the front of the line by calling the office. Priority will be given to students who are in the office. If there is a student present in the office, phone calls will be asked to wait or call back at a later time.

Grades will not be given out over the phone or email. Exam, homework and quiz grades will be available to you on Connect Finance.

Please feel free to email any questions to the instructor. I will do my best to respond to your questions as soon as possible. Many students in past classes have emailed questions to me regularly. These students have performed well in the class. If you do not feel like I have answered your question sufficiently, it is because I want you to take my comments and think about the problem. You can continue to ask me questions at any time. During the weekends I may not be as prompt as during the week.

OSU Syllabus Attachment:

Other important academic information and university policy can be found on the syllabus attachments that can be downloaded from D2L or the OSU Registrar's site.

TENTATIVE CLASS SCHEDULE

Week No.	Week of	Chapter/Topic	RWJ 10th
1	January 11	Review of Stock Valuation and Risk & Return	Chapters 9, 10 & 11
2	January 18	Review of Financial Statements, Cash Flow and Financial Statement Analysis	Chapters 2 & 3
3	January 25	Short-term Financing and Cash Management	Chapters 26 & 27
4	February 1	Cash, Credit, and Inventory Management	Chapters 27 & 28
5	February 8	Cost of Capital	Chapter 13
6	February 15	Long-term Financing	Chapter 15
7	February 22	Raising Capital	Chapter 20*
8	February 29	Leasing	Chapter 21
9	March 7	Mid-Term Exam	
10	March 14	Spring Break	
11	March 21	Capital Structure	Chapter 16
12	March 28	Capital Structure	Chapter 17
13	April 4	Dividend Policy	Chapter 19*
14	April 11	Mergers & Acquisitions	Chapter 29
15	April 18	Introduction to Options	Chapter 22
16	April 25	Option Extensions	Chapter 23
17	May 2	Final Exam	

*Mini-case due for this chapter.