

## FIN 3301.130 and 140 FINANCIAL MANAGEMENT I – Fall 2018

Fall 2018 rev. 08.27.2018

Texas A&M University-Central Texas

### INSTRUCTOR AND CONTACT INFORMATION

During the first 3 weeks:

Instructor: Dr. Kevin Lee

Email: [kevin.lee@tamuct.edu](mailto:kevin.lee@tamuct.edu)

After the first 3 weeks:

Instructor: Dr. Douglas Dyer

Office: 323 D

Phone: 254 519-5437.

**Email:** TAMUCT: [ddyer@tamuct.edu](mailto:ddyer@tamuct.edu) Subject: (FIN 3301) for “general” questions. Use the Canvas “Inbox” system for course-specific questions.

**Office Hours: By appointment only, made directly with Dr. Dyer by emailing [ddyer@tamuct.edu](mailto:ddyer@tamuct.edu). I can and will meet with you** most days of the week, and most times during the day, IF you request an appointment. Meeting with students one-on-one, or even better, in small groups, is one of the most Fun aspects of my Job! **So, please do not hesitate to request an appointment.**

### Required Text and Financial Calculator:

TEXT: CFIN, 5<sup>th</sup> edition, (CFIN5), Besley/Brigham. **NO ACCESS KEY OR CODE IS REQUIRED!** The fancy ebook is wonderful, filled with useful learning/practice tools, but you do not need paid access to Cengage for this course.

**ISBN:** 9781305661653 is shown on the bookstore’s text-finder page, with “rent” option selected. It does not matter if you buy, borrow, or rent the book. Or where you (legally) obtain it. **But, to state it again: absolutely NO access code/number is needed**, although you may find the Cengage resources personally useful, especially if you want a “mobile platform friendly” ebook. But all required material, quizzes, and exams are available through Canvas!



\*\*\*\*\* You will also need a TI BA II Plus financial calculator (required!). I highly recommend the Professional model, and the silver one (if you can find one). It is just heavier and more stable and easier to use. It is possible to download an app for use on your smartphone.

### **Mode of instruction and course access:**

This course is a 100% online course and uses the TAMUCT Canvas Learning Management System [<https://tamuct.instructure.com>]. For information on how to access Canvas, please refer to section **“Technology Requirements and Support”** in this syllabus. There are prerequisites to this course such as solid knowledge of, and familiarity with the use of PowerPoint, Microsoft Word, the Internet, and attaching documents. You will access all course materials, assignments, quizzes and Exams, in addition to student-instructor communication tools, and resource links, via the Canvas Course website. Although the course is entirely online, it is most definitely **not** a self-paced, “correspondence” style course.

The pages within Modules also contain a great deal of information, which either reviews, supplements, clarifies, or extends the information in the required text. You are definitely responsible for learning this information. Also, the Practice Exams are sources of required information, especially in the question feedback.

***All quizzes and exams are taken within the Canvas course. There is no need for any Cengage access code.***

### **Some Remarks About Online Learning:**

Online learning requires students to be very self-disciplined, so be sure you understand and ***are prepared to comply with all required class assignments and deadlines***. I am the facilitator for your learning, and will provide you with the relevant materials and information needed to ***learn the facts, concepts, models and tools relevant to basic Finance***, but it will be up to You to study the material as needed to achieve learning. Traditional Face-to-Face courses usually are broken into months or weeks or days; however, remember that time is a continuous, not discrete, variable. While there **definitely are** published open dates and due dates/times for Chapter Quizzes, Exams, and the Final Exam, to a large extent the exact days/times you devote to a specific Chapter/Module or topic is determined by **You!**

Materials are provided via the text within the Canvas Modules directly, in Practice Quizzes and in Supplementary Materials (Handouts) contained within those Modules.

*I highly recommend that you start by just paging through the Modules from start to finish and “see what is there”.*

**Canvas Support: (Please believe me, these folks can help you with Canvas technological problems better than your professor!)** Use the Canvas Help link, located at the bottom of the left-hand menu, for issues with Canvas. You can select “Chat with Canvas Support,” submit a support request through “Report a Problem,” or call the Canvas support line: 1-844-757-0953.

**Student-instructor interaction:**

I can be reached through the Canvas Inbox, **for all course-specific questions**, which I will check regularly, usually several times a day during the week, and once a day on weekends. You can normally expect a reply within 24 hours. However, there are sometimes interruptions, related to travel, technology, emergencies, etc. For more general questions, please use [ddyer@tamuct.edu](mailto:ddyer@tamuct.edu). If you do not receive a timely reply, please try again! Don’t get angry, just send another email, perhaps using a different method.

**911 Cellular:**

Emergency Warning System for Texas A&M University-Central Texas

911Cellular is an emergency notification service that gives Texas A&M University-Central Texas the ability to communicate health and safety emergency information quickly via email, text message, and social media. All students are automatically enrolled in 911Cellular through their myCT email account.

Connect at [911Cellular](https://portal.publicsafetycloud.net/Texas-AM-Central/alert-management) [https://portal.publicsafetycloud.net/Texas-AM-Central/alert-management] to change where you receive your alerts or to opt out. By staying enrolled in 911Cellular, university officials can quickly pass on safety-related information, regardless of your location.

**COURSE INFORMATION**

**Course Overview and description:**

Analyze financial decision-making at the corporate level with emphasis on the maximization of stockholder wealth. Learn financial statement analysis, the valuation of stocks and bonds, cost of capital, capital budgeting, dividend policy, leverage and capital structure, methods of firm valuation, and successful financial practices in a global, diverse economy.

An emphasis is placed on mastery of overall financial literacy, the characteristics and features of basic financial assets (bonds, stocks, and capital investment projects), the valuation of financial assets, and a thorough understanding of the concept of the Time Value of Money and demonstrating this understanding through correct use of a **financial calculator (the TI BA II Plus)**.

**Course Prerequisites:** (for Financial Management I - FIN 3301): ACCT 2301 OR ACCT 2401, and ECON 2301 are required before beginning FIN 3301.

**Course Objectives:**

Students who successfully complete this course should be able to:

1. Demonstrate fundamental **financial literacy** through the appropriate use of the professional jargon of finance and financial accounting.

2. Apply their fundamental financial literacy by accurately listing **and** explaining the basic concepts of finance, and an awareness of the challenges of today's diverse, global economy.
3. Explain the risk/return tradeoff and the Time Value of Money concepts, and explain how they pertain to both firm financing decisions and individual investing decisions
4. Describe the fundamental types of financial assets/instruments, (bonds, stocks and capital projects), including their basic characteristics, rights and privileges and their **valuation techniques**.
5. Evaluate a firm's financial performance using **financial statement analysis** (principally the correct calculation and interpretation of **financial ratios**).
6. Further demonstrate basic financial literacy by proficient use of a financial calculator to solve for any of the 5 potential unknowns in a basic TVM problem. Evaluate financial alternatives utilizing a time value of money perspective. Apply basic evaluation techniques to calculate theoretical values of bonds, stocks, and capital projects.

## Student Learning Outcomes:

### Module 1: Chapter 1 & Some Review Material

1. Discuss the basic types of financial management decisions and the role of the financial manager.
2. Identify the goal of financial management.
3. Compare the financial implications of the different forms of business organizations.
4. Describe the **conflicts of interest** that can arise between managers and owners, between bondholders and stockholders, etc.
5. Discuss the role of ethics and corporate governance in a well-functioning economic system

\*\*\* Remember that firms issue financial securities, in the primary market, to raise financial capital (money).

1. Discuss the fundamental characteristics of debt financing (issuing bonds) and equity financing (issuing shares of stock)
2. Describe the pros and cons of debt vs equity financing

### Module 2: Chapter 2

1. Interpret the information provided in a firm's basic **financial statements**: the Balance Sheet, Income Statement, and the Statement of Cash Flows.
2. Standardize financial statements for comparison purchases.
3. Compute and interpret common **financial ratios**.
4. Assess the determinants of a firm's financial performance using **financial ratios and including the use of the DuPont analysis**.
5. Identify and explain some of the problems and pitfalls in financial statement analysis.

### Module 3: Chapter 3

1. Distinguish between the various types of financial markets.
2. Describe the various types of financial intermediaries and their functions.

3. Describe how financial markets and financial intermediaries in the United States differ from those in other parts of the world.

#### **Module 4: Chapter 4**

1. Determine the future value of an investment made today.
2. Determine the present value of cash to be received in the future.
3. Calculate the rate of return on an investment.
4. Given any 4 of the TVM variables ( $n$ ,  $k$ ,  $p_v$ ,  $p_{mt}$ ,  $f_v$ ) be able to calculate the unknown variable.
5. Determine the future and present value of investments with multiple future cash flows.
6. Describe the loan amortization process and create a loan amortization table. Explain how interest rates are quoted.
7. Be financial calculator literate: be able to use the TI BA II Plus to solve the types of problems listed above.

#### **Module 5: Chapter 5**

1. Describe the **cost of money** and the factors that influence interest rates.
2. Describe how interest rates are determined.
3. Describe the yield curve, its relationship to the term structure of interest rates, and discuss how to interpret the market's expectations of future interest rates based on the shape of the yield curve.
4. Discuss how government actions and general business activity affect interest rates.
5. Discuss the impact on changes in interest rates (required rates of return) on the value of financial assets

#### **Module 6: Chapter 6**

1. Identify important bond features and types of bonds.
2. Describe how bond are valued and why bond values fluctuate.
3. Discuss bond ratings and what they mean. Relate this to the risk/return tradeoff.
4. Evaluate the impact of inflation on interest rates and bond values.
5. Explain the bond structure of interest rates and the determinants of bond yields.

#### **Module 7: Chapter 7**

1. Explain how stock markets work.
2. Explain the efficient markets hypothesis and its implications for investors.
3. Use various models (the Gordon Model, the Multiples approach, etc) to value shares of stock
4. Calculate and explain the total return, the dividend yield and the capital gain yield.

#### **Module 8: Chapter 9**

1. Describe the importance of capital budgeting decisions and the general process that is followed when making decisions about investing in fixed (capital) assets.
2. Describe how the net present value (NPV) technique and the internal rate of return (IRR) technique are used to make investment (capital budgeting) decisions.

3. Compare the NPV technique with the IRR technique, and discuss why the two techniques might not always lead to the same investment decisions.
4. Describe how conflicts that might arise when using the NPV and IRR techniques.
5. Describe other capital budgeting techniques used by businesses to make investment decisions and which techniques are used most often in practice.

## **COURSE REQUIREMENTS:**

**1. Quizzes (30% of your course grade).** There be 14 Quizzes, covering 9 chapters plus some review material. All Quizzes allow you 2 attempts, with 10 randomly selected questions in each attempt. The highest attempt on each Quiz is used for course grading. Each individual Quiz is worth 30 points. The 4 lowest score Quiz Scores will be excluded from course grade calculations. Most Quizzes have a time limit of 30 minutes. There are a few (chapter 2 and chapter 4. MC and chapter 5, MC, for example, that have a 60 minute time limit. Therefore, there are a total of **300 quiz points** = 10 quizzes x 30 points each.

**2. Exams (30% of your course grade).** There will be 3 Exams. Each Exam will cover either 2 or 3 chapters. (The total number of questions per Exam will vary (about 25 questions with a time limit of 75 minutes.) Each individual Exam is worth 150 points. The lowest score Exam Score will be excluded from course grade calculations. Therefore, there are a total of **300 Exam points** = 2 Exams x 150 points each.

**3. Final Exam (40% of your course grade).** The Comprehensive Final Exam, given in 2 Parts (all available on the same date and all due the same date), will cover all material covered/presented in the course. The **Final Exam is worth 400 points.**

Therefore, there are a total of 1,000 possible points = 300 quiz points + 300 Exam points + 400 Final Exam points.

So, the 10 highest Quizzes represent 30% of your course grade, the 2 highest Exams represent 30% of your course grade, and the Final Exam represents 40% of your course grade.

### **CRITICALLY IMPORTANT INFORMATION REGARDING MISSED ASSIGNMENTS (QUIZZES OR EXAMS):**

1. Due dates for all assignments are announced well in advance.
2. All Quizzes and Exams have

generous “availability windows”. 3. The 4 lowest Quiz scores are excluded from grading, and the lowest Exam score is excluded from grading. Therefore, there will be NO late work accepted, and NO make-up Quizzes or Exams given. The only exception is a prolonged (48 hours or longer) outage of TAMU-CT technology: the inability to access and use Canvas. So, do yourself a big favor and Do Not Wait until the last possible day to take an Exam. Just because you CAN wait does not make it a wise choice. (btw: There is a very high correlation between how soon exams are taken and the score on the exam.)

**Grading Criteria Rubric and Conversion:**

<u>Total Points Earned</u>	<u>Weighted Percentage Score</u>	<u>Course Grade</u>
900 – 1,000	90 - 100%	A
800 – 899	80 - 89.9%	B
700 – 799	70 - 79.9%	C
600 – 699	60 - 69.9%	D
Below 600		F

**Posting of Grades**

Quiz and Exam scores will be posted in the Canvas Grades. Quiz scores will be posted almost immediately following the passing of the due date. Unit Exam scores and the Final Exam score will generally be posted within 24 - 48 hours of the passing of the due date. Quizzes or Exams not submitted by the published due date will receive a grade of 0. Reminder: the two lowest Quiz scores and the lowest Exam score will be dropped.

Final Course Grades will be calculated using Excel (a much more flexible and powerful tool than Canvas Grades).

**COURSE OUTLINE AND CALENDAR**

You can think of the course as divided into 3 Units, with each Unit containing 2-3 Modules. Modules 1-7 correspond to Chapters 1-7, while Module 8 corresponds to Chapter 9. Modules contain text chapters, but present additional information within the Pages of the Module itself. You are responsible for *all material* presented within a Module!

**Course Calendar:** (weekly schedule on last page. Quiz due dates can be seen on the Syllabus page or within the course Modules.)

**\*\*\*\*\* (You really need to start work on chapter 3 and beyond before Exam 1 opens! I intentionally postponed Exam 1 so that folks could get into the swing of a new semester, especially)**

Unit 1: Modules 1 & 2

Exam 1: opens at 6pm on Friday, Sep 21 and is due by 11:59pm on Monday, Sep 24

## Unit 2: Modules 3 – 5

Exam 2: opens at 6pm on Friday, Oct 19 and is due by 11:59pm on Monday, Oct 22

## Unit 3: Modules 6 - 9

Exam 3: opens at 6pm on Friday, Nov 30 and is due by 11:59pm on Monday, Dec, 3

Comprehensive Final Exam: Everything! Opens Saturday, Dec 8 and is due by 11:59pm on Wednesday, Dec 12

## TECHNOLOGY REQUIREMENTS AND SUPPORT

### Technology Requirements

This course will use the A&M-Central Texas Instructure Canvas learning management system.

Logon to A&M-Central Texas Canvas [<https://tamuct.instructure.com>].

Username: Your MyCT username (xx123 or everything before the "@" in your MyCT e-mail address) Password: Your MyCT password

### Canvas Support

Use the Canvas Help link, located at the bottom of the left-hand menu, for issues with Canvas.

You can select "Chat with Canvas Support," submit a support request through "Report a Problem," or call the Canvas support line: 1-844-757-0953.

For issues related to course content and requirements, contact your instructor.

### Other Technology Support

For log-in problems, students should contact Help Desk Central.

24 hours a day, 7 days a week:

Email: [helpdesk@tamu.edu](mailto:helpdesk@tamu.edu)

Phone: (254) 519-5466

[Web Chat](http://hdc.tamu.edu): [<http://hdc.tamu.edu>]

*Please let the support technician know you are an A&M-Central Texas student.*

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## UNIVERSITY RESOURCES, PROCEDURES, AND GUIDELINES

### Drop Policy.

If you discover that you need to drop this class, you must complete a [Drop Request Form](#)

[[https://www.tamuct.edu/registrar/docs/Drop\\_Request\\_Form.pdf](https://www.tamuct.edu/registrar/docs/Drop_Request_Form.pdf)].

Professors cannot drop students; this is always the responsibility of the student. The Registrar's Office will provide a deadline on the Academic Calendar for which the form must be completed, signed and returned. Once you return the signed form to the Registrar's Office, you must go into Warrior Web and confirm that you are no longer enrolled. If you still show as enrolled, FOLLOW-UP with the Registrar's Office immediately. You are to attend class until the procedure is complete to avoid penalty for absence. Should you miss the drop deadline or fail to follow the procedure, you will receive an F in the course, which may affect your financial aid

and/or VA educational benefits.

### **Academic Integrity.**

Texas A&M University -Central Texas values the integrity of the academic enterprise and strives for the highest standards of academic conduct. A&M-Central Texas expects its students, faculty, and staff to support the adherence to high standards of personal and scholarly conduct to preserve the honor and integrity of the creative community. Academic integrity is defined as a commitment to honesty, trust, fairness, respect, and responsibility. Any deviation by students from this expectation may result in a failing grade for the assignment and potentially a failing grade for the course. Academic misconduct is any act that improperly affects a true and honest evaluation of a student's academic performance and includes, but is not limited to, cheating on an examination or other academic work, plagiarism and improper citation of sources, using another student's work, collusion, and the abuse of resource materials. All academic misconduct concerns will be reported to the university's Office of Student Conduct. Ignorance of the university's standards and expectations is never an excuse to act with a lack of integrity. When in doubt on collaboration, citation, or any issue, please contact your instructor before taking a course of action.

### **Academic Accommodations.**

At Texas A&M University-Central Texas, we value an inclusive learning environment where every student has an equal chance to succeed and has the right to a barrier-free education. The Department of Access and Inclusion is responsible for ensuring that students with a disability receive equal access to the university's programs, services and activities. If you believe you have a disability requiring reasonable accommodations please contact the Department of Access and Inclusion at (254) 501-5831. Any information you provide is private and confidential and will be treated as such.

For more information please visit our [Access & Inclusion](https://www.tamuct.edu/student-affairs/access-inclusion.html) web page [https://www.tamuct.edu/student-affairs/access-inclusion.html].

Texas A&M University-Central Texas supports students who are pregnant and/or parenting. In accordance with requirements of Title IX and related guidance from US Department of Education's Office of Civil Rights, the Dean of Student Affairs' Office can assist students who are pregnant and/or parenting in seeking accommodations related to pregnancy and/or parenting. Students should seek out assistance as early in the pregnancy as possible. For more information, please visit the [Student Affairs](https://www.tamuct.edu/student-affairs/index.html) web page [https://www.tamuct.edu/student-affairs/index.html]. Students may also contact the institution's Title IX Coordinator. If you would like to read more about these [requirements and guidelines online](http://www2.ed.gov/about/offices/list/ocr/docs/pregnancy.pdf), please visit the website [http://www2.ed.gov/about/offices/list/ocr/docs/pregnancy.pdf].

Title IX of the Education Amendments Act of 1972 prohibits discrimination on the basis of sex and gender—including pregnancy, parenting, and all related conditions. A&M-Central Texas is able to provide flexible and individualized reasonable accommodation to pregnant and parenting students. All pregnant and parenting students should contact the Division of Student Affairs at (254) 501-5909 to seek out assistance. Students may also contact the University's Title IX Coordinator.

### **Tutoring.**

Tutoring is available to all A&M-Central Texas students, both on-campus and online. Subjects tutored on campus include Accounting, Advanced Math, Biology, Finance, Statistics, Mathematics, and Study Skills. Tutors are available at the Tutoring Center in Warrior Hall, Suite 111.

If you have a question regarding tutor schedules, need to schedule a tutoring session, are interested in becoming a tutor, or have any other question, contact Academic Support Programs at (254) 519-5796, or by emailing Dr. DeEadra Albert-Green at [deeadra.albertgreen@tamuct.edu](mailto:deeadra.albertgreen@tamuct.edu).

Chat live with a tutor 24/7 for almost any subject from on your computer! Tutor.com is an online tutoring platform that enables A&M-Central Texas students to log in and receive FREE online tutoring and writing support. This tool provides tutoring in over 40 subject areas. Access Tutor.com through Canvas.

**University Writing Center:** Located in 416 Warrior Hall, the University Writing Center (UWC) at Texas A&M University-Central Texas is a free workspace open to all TAMUCT students from 10am-4pm Monday-Thursday during the summer with online hours available Monday-Thursday from 6:00-9:00pm. Students may arrange a one-on-one session with a trained and experienced writing tutor by visiting the UWC during normal operating hours (both half-hour and hour sessions are available) or by making an appointment via [WOnline](https://tamuct.mywconline.com/) at [https://tamuct.mywconline.com/]. In addition, you can email Dr. Bruce Bowles Jr. at [bruce.bowles@tamuct.edu](mailto:bruce.bowles@tamuct.edu) to schedule an online tutoring session. Tutors are prepared to help writers of all levels and abilities at any stage of the writing process.

While tutors will not write, edit, or grade papers, they will assist students in developing more effective composing practices. By providing a practice audience for students' ideas and writing, our tutors highlight the ways in which they read and interpret students' texts, offering guidance and support throughout the various stages of the writing process. In addition, students may work independently in the UWC by checking out a laptop that runs the Microsoft Office suite and connects to WIFI, or by consulting our resources on writing, including all of the relevant style guides. Whether you need help brainstorming ideas, organizing an essay, proofreading, understanding proper citation practices, or just want a quiet place to work, the University Writing Center is here to help!

If you have any questions about the University Writing Center, please do not hesitate to contact Dr. Bruce Bowles Jr. at [bruce.bowles@tamuct.edu](mailto:bruce.bowles@tamuct.edu).

### **University Library.**

The University Library provides many services in support of research across campus and at a distance. We offer over 200 electronic databases containing approximately 250,000 eBooks and 82,000 journals, in addition to the 85,000 items in our print collection, which can be mailed to students who live more than 50 miles from campus. Research guides for each subject taught at A&M-Central Texas are available through our website to help students navigate these resources. On campus, the library offers technology including cameras, laptops, microphones, webcams, and digital sound recorders.

Research assistance from a librarian is also available 24 hours a day through our online chat service, and at the reference desk when the library is open. Research sessions can be scheduled for more comprehensive assistance, and may take place on Skype or in-person at the library. Assistance may cover many topics, including how to find articles in peer-reviewed journals, how to cite resources, and how to piece together research for written assignments.

Our 27,000-square-foot facility on the A&M-Central Texas main campus includes student lounges, private study rooms, group work spaces, computer labs, family areas suitable for all ages, and many other features.

Services such as interlibrary loan, TexShare, binding, and laminating are available. The library frequently offers workshops, tours, readings, and other events. For more information, please visit our [Library website](http://tamuct.libguides.com/index) [http://tamuct.libguides.com/index].

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#### **OPTIONAL POLICY STATEMENTS:**

##### **A Note about Sexual Violence at A&M-Central Texas**

Sexual violence is a serious safety, social justice, and public health issue. The university offers support for anyone struggling with these issues. University faculty are mandated reporters, so if someone discloses that they were sexually assaulted (or a victim of Domestic/Dating Violence or Stalking) while a student at TAMUCT, faculty members are required to inform the Title IX Office. If you want to discuss any of these issues confidentially, you can do so through Student Counseling (254-501-5955) located on the second floor of Warrior Hall (207L).

Sexual violence can occur on our campus because predators often feel emboldened, and victims often feel silenced or shamed. It is incumbent on ALL of us to find ways to actively create environments that tell predators we don't agree with their behaviors and tell survivors we will support them. Your actions matter. Don't be a bystander; be an agent of change. For additional information on campus policy and resources visit the [Title IX webpage](https://www.tamuct.edu/departments/compliance/titleix.php) [https://www.tamuct.edu/departments/compliance/titleix.php].

#### **INSTRUCTOR POLICIES.**

As explained in Course Requirements, no makeup or late quizzes or exams will be accepted/provided. The lowest 2 Quiz scores, including missed quizzes, are excluded from course grade calculations. The lowest Exam score, including a missed Exam, is excluded from course calculations.

Please email me directly, [ddyer@tamuct.edu](mailto:ddyer@tamuct.edu), to setup a face-to-face appointment if you are having difficulty with the material. If possible of course.

#### **Copyright Notice.**

Students should assume that all course material is copyrighted by the respective author(s). Reproduction of course material is prohibited without consent by the author and/or course instructor. Violation of copyright is against the law and Texas A&M University-Central Texas' Code of Academic Honesty. All alleged violations will be reported to the Office of Student Conduct.

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