# FIN 5330 FINANCIAL MANAGEMENT Winter 2017

**Instructors**: Rajeev Singhal **Time**: 6:30-9:00 Tuesday

**Tel.**: (248) 370-3288 **Room** : Online

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**Office Hours**: Online or in my office (406 Elliott Hall) by appointment

**Course Description** - Application of financial concepts such as cash flow analysis, capital budgeting, sources of capital, and working capital management to the business environment. Major emphasis will be on practical financial management solutions to common business problems. This course relies on content learned in prior courses, especially ACC 5110, ECN 5210, and QMM 5100. Cases will be used to illustrate the application and limitations of finance theory.

**Course Objective**- Financial Management introduces students to the tools managers use to make financial decisions. The goal of this course is to apply to real world situations the concepts of time value of money, valuation of securities, capital budgeting, and risk return trade-off. The course material is substantial and relatively unstructured. Students are expected to invest substantial time on their own. This class will require participation of students, via Moodle, in the discussions.

#### **Required Materials:**

Ross, Westerfield, and Jordan (RWJ) – Fundamentals of Corporate Finance, Standard Edition, 11<sup>th</sup> Edition.

**Grading**: Course grade will be based on the following components:

3 Cases (@10%) 30 % 6 Moodle Homework (@4) 24 % 6 Moodle Quizzes (@4) 24 % 1 Final 22 % Total 100 %

The homework and quizzes will be delivered through Moodle based on relevant questions from test bank. The purpose of homework will be to prepare you for the quizzes and the exam. Therefore, homework will not have any time limit, but they will have to be completed by a specific date and time. For example, at the end of the first week, I will post homework on Moodle which must be completed by 10 PM, Sunday of that week. At the end of next week, I will give the first timed quiz. The quiz must also be completed by 10 PM, Sunday of that week. The homework and quizzes will not be cumulative. The final exam will be comprehensive. Details of the final examination syllabus will be posted on Moodle. You must use Mozilla Firefox (www.mozilla.org) or Chrome with Moodle. You may run into difficulties if you use internet explorer with Moodle. For example, you may not be able to view a quiz posted on Moodle with internet explorer.

There will be 3 cases (10 points each) to be submitted individually on the days specified in the outline on Moodle. The cases are available at the end of Chapters 6 (Questions 1 through 5 only), 10, and 14 (Questions 1 through 4 only). To complete a case, please answer the questions given at the end of the minicase. The cases must be submitted as properly formatted **word or pdf document** with **page numbers and name of the student on each page** of the submission. The textbook also contains a number of other mini cases, some of which may be discussed. Late

submissions will attract penalty. If there is any change in the due date for any assignment, the information will be posted on <u>Moodle</u>.

The final grade will depend on the total points scored out of the maximum 100 points. No grades will be awarded for individual components. There will not be any extra credits. The average grade for this class has been between 3.4 and 3.6 in the past.

**Exam and Quizzes**: The examination and quizzes will feature multiple choice, calculation problems, and cases. Quizzes and exams conducted on Moodle will be timed. Therefore, if time limit for a quiz is 45 minutes, the quiz will close 45 minutes after you first open it. If you open a quiz and close it immediately, the clock will keep ticking.

**Grading:** To avoid any confusion, requests for re-grading must be given in writing. Any curving of results are solely at the discretion of the course instructors.

<u>Moodle</u>: I will post solutions to problems, points on quizzes/exams, case and assignment scores, and the final grade on Moodle. All the announcements will also be posted on Moodle. Please check the Moodle regularly for any announcements. Once an announcement is posted on Moodle, it will be assumed that all the students are aware of it.

## Webex:

Some of you may already be familiar with webex, a real time conferencing tool. If you visit:

### http://www2.oakland.edu/elis/index.cfm?id=5086

I will be available on webex for 2.5 hours on Tuesdays to conduct the class and to answer your questions. The webex meetings are recorded. Therefore, if you cannot attend the class for some reason you should still be able to go through the recording. You will appreciate that since this is an online class, much of the onus rests on you. I will be available, as far as possible, to help you with the material, but you will have to take the initiative and seek help.

#### **Tentative Schedule:**

<u>Date</u>	<u>Part</u>	<b>Topics</b>	<u>Assignments</u>
1/9	Part One: Overview of Corporate Finance	Introduction to Corporate Finance Financial Statements, Taxes, and Cash Flow	Chapter 1 and 2*
1/16	Part Two: Financial Statements and Long-Term Financial Planning	Working with Financial Statements	Chapter 3**
1/23		Long-Term Financial Planning	Chapter 4*
1/30	Part Three: Valuation of Future Cash Flows	Introduction to Valuation: The Time Value of Money Discounted Cash Flow Valuation	Chapter 5 and 6**
2/6		Interest Rates and Bond Valuation	Chapter 7*
2/13		Stock Valuation	Chapter 8** Minicase Due
2/27	Part Four: Capital Budgeting	Net Present Value and Other Investment Criteria	Chapter 9*
3/6		Making Capital Investment Decisions	Chapter 10**
3/13	Part Five: Risk and Return	Some Lessons from Capital Market History	Chapter 12* Minicase Due
3/20		Return, Risk, and the Security Market Line	Chapter 13**
3/27	Part Six: Cost of Capital and Long-Term Financial Policy	Cost of Capital	Chapter 14*
4/3		Raising Capital	Chapter 15** Minicase Due
4/10		Financial Leverage and Capital Structure Policy	Chapter 16
4/17		Dividends and payout Policy	Chapter 17
Exam Week	Final Examination		

<sup>\*</sup>Homework week; \*\*Quiz week. First homework must be completed by 10 PM on 1/14 (the end of first week) and the first quiz must be completed by 10 PM on 1/21 (the end of second week). Homework will not have any time limit and will be posted by 6 PM on Fridays. Quizzes will be timed and will also be posted by 6 PM on Fridays. The due date for minicases will be 10 PM on Sunday of that week. For example, week 1 will end at 10 PM on 1/14. Therefore, the first mini-case based on Chapter 6 will be due at the end of week 6 on 2/18.