

Moravian College
Department of Economics and Business
Syllabus: Managerial Finance (ECON/MGMT 231 A)

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Office Hours: Tuesday and Thursdays, 3-4pm or by appointment or knock on the door anytime to see if am I am available.

Class Times: Mondays and Wednesdays, 10:10-11:20a.m, COMEN-114

Prerequisites: ECON 152, ECON 156, and ECON 157

Course Textbook: “Essentials of Corporate Finance,” 5e, Ross, Westerfield, and Jordan: McGraw-Hill 2007.

Textbook Web Site: www.mhhe.com/rwj. This web site contains an Online Learning Center (OLC) with additional study and teaching aids created for this textbook.

Course Objectives

This writing intensive course is designed to introduce you to the world of finance and expand your knowledge of finance in general and managerial finance in particular. You will learn how to analyze corporate financial statements and how firms interact with the capital markets. We will discuss the goals of organizations and how the goals of different stakeholders vary. We will learn about the time value of money, stock and bond valuation models, and the basic risk-return relationship. By the end of the course, students are expected to have gained a good understanding of basic financial principles which will provide a solid foundation for any subsequent courses they may take in business, including finance. I also hope that this course will assist you in making wise personal financial decisions. In addition, students are also expected to become familiar with the writing and research conventions appropriate for this field of study.

Exams, Homework, Project, and Grade Policy

Exams

You will take two midterm exams and one final exam. Midterm exam dates are noted on the syllabus and will not be changed. The final exam will be administered during the final exam period, on a date and time assigned by the registrar later in the semester. Exams consist of problems and short essay/answer questions, and the quality of writing affects the grade. Formula sheets and tables will be provided but you must bring calculators to all exams. Please learn how to use your calculator before you take an exam. You can NOT

share calculators. Makeup exams are given only in EMERGENCY situations and are different than the original exam. Cell phones cannot be used as calculators and must be turned off and kept out of sight during all exams.

Homework

Homework will be assigned at the end of *at least* one chapter and the due date will be given after it is assigned. **YOU MUST SHOW ALL WORK. PLEASE NOTE:** the dates, chapters, and assignments are subject to change. If you miss class, you are responsible for finding out about due dates and changes in assignments. Failure to attend class is **NOT** an excuse for turning in assignments late. I expect you to answer the word problems carefully, using good English. For calculation problems, please provide your answers in a full sentence. If your answers are too terse or your sentences unclear, I will not give you **full** credit.

All homework should be turned in as hardcopy unless I specify other terms. There will be **No Makeup** homework. I urge you to do all homework assignments because this will make you understand the material better and will improve your performance on exams.

To practice your writing and to stay abreast of the news, I assign **5 articles** that are related to a topic we cover in class. Your task is to link the major points in the article with the class material.

Project

This project is designed to help you apply financial principles learned in the classroom to the analysis of an actual company, as well as to initiate you into the writing and research conventions used in the disciplines of Economics and Management. The project will be developed through the writing process, from multiple drafts to a finished paper. You must submit the drafts of the project at the beginning of class on due dates announced in class. The final paper must be submitted on the *last day* of class. The project grade will be determined by both the work you do before the finished paper and the quality of the finished paper. A more detailed description of the project will be distributed in class.

Grade Policy

Articles	5%
Homework:	15%
Project:	20%
Attendance and Participation:	10%
Two Midterm Exams:	30%
Final Exam:	20%

Since students who turn in their homework late will have an unfair advantage relative to other students, a penalty will apply if you fail to meet the due date. You will be penalized following the schedule below:

Days of Delay	Penalty
< 1 day	10%
<2 day	20%
<3 day	50%
> 3 days	Not Accepted

Please note: Under some circumstances, I will release the answer sheet before the three day window. If that occurs, no late assignment will be accepted after the answer sheet has been released.

Class Procedures and Communication

The structure of this class makes your individual study and preparation outside class *extremely* important. I will assign the material to read before class. The lecture will only focus on the major points introduced in the text. Thus, reading the assigned chapters and having some familiarity with them before class will greatly assist your understanding of the lecture.

I will use power point slides, excel examples, as well as board to lecture. I will save the power point slides and excel examples and post them on Blackboard. You can always download the materials and check your performance on Blackboard. Therefore, it is important for you to be familiar with Blackboard. I expect that all of you will check your College email account (or Blackboard) regularly. If you haven't done so, please make sure the email account works for you. I also encourage you to raise questions in the class and be an active discussant. Meanwhile, you are welcomed to drop by my office if you have any questions.

Academic Honesty Policy

I encourage you to study in groups and to discuss all homework, but you **must** write your own answers. If you copy your answers from another student or from existing handouts, or if you let another student copy from you, you will receive zero for the whole HW assignment. If a student asks you for a copy of your HW, do not give it to him/her. If you copy an exam answer from another student, you will receive zero on the exam.

Beware of plagiarism! You are not allowed to lift phrases from the original without attribution. Since you are summarizing articles and some historical information for your project, it is very tempting to merely rephrase the original document, but that is still plagiarism. Try to rethink and reformulate the information in your own words. If this is too complicated, you must use quotation marks if you lift **a sentence, paragraph, or sort texts** from the original. If you plagiarize, you earn zero on the assignment. Please read the section "Academic Honesty" in the Student Handbook. Repeated academic dishonesty results in failure for the course.

A copy of the handbook can be found on the College web site at:
<http://www.moravian.edu/studentLife/handbook/academic2.htm>. If you have any questions about this policy, please see me.

Learning Disabilities

Any student who wishes to disclose a disability and request accommodations for this course first **MUST** meet with either Mrs. Laurie Roth in the Office of Learning Services (for learning disabilities) or Dr. Ronald Kline in the Counseling Center (for all other disabilities).

TENTATIVE Course Outline

This schedule is extremely tentative, and subject to change. Any variations will be announced in class.

August 27	Chapter 1:	Introduction to Financial Management
August 29-Sept. 3	Chapter 2:	Financial Statements
September 5-10	Chapter 3:	Working with Financial Statements
September 12-17	Chapter 4:	Time value of Money
September 19-24	Chapter 5:	Discounted Cash Flow Valuation
September 26,	Chapter 6:	Interest Rates and Bond Valuation

October 1 Exam 1: Chapters (1-5)

October 3-8	Chapter 7:	Equity Markets and Stock Valuation
October 10-15	Chapter 8:	Net Present Value and Other Investment Criteria
October 17-22	Chapter 9:	Making Capital Investment Decisions
October 24-29	Chapter 10:	Lessons from Capital Market History
October 31	Chapter 11:	Risk and Return

November 5 Exam 2: Chapters (6-9)

November 7	Chapter 11:	Risk and Return
November 12-14	Chapter 12:	Cost of Capital
November 19	Chapter 13:	Leverage

November 20-26 Thanksgiving break

November 28	Chapter 13:	Leverage
Dec 3-10	Chapter 18:	International Aspects of Financial Management

Final Exam (Chapter 11, 12, 13, 18)-exact date and time will be assigned by the registrar later in the semester).