

Moravian College  
Department of Business and Economics  
**MGMT/ECON 231: Managerial Finance**  
Fall 2011

**Instructor:** Dr. Linda L. Ravelle  
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**Office Hours:** M 2:30 – 4:00 PM  
T,R 9:00 – 10:00 AM  
Also by appointment

**Prerequisites:** ECON 152, ECON 156, ACCT 157

**Textbook:** *Essentials of Corporate Finance*, 7<sup>th</sup> Edition; Ross, Westerfield, and Jordan, McGraw-Hill/Irwin, 2011.

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

**Class Times:** T, Th 10:20 – 11:30

**Course Objectives:** This course is designed to develop your understanding of basic financial concepts, such as time value of money, financial statement analysis, and risk measurement, and to help you understand how to incorporate these concepts into an analysis of the major long-term investment, financing, and dividend decisions made by financial managers. The course uses lectures, class discussion, assignments and exams to help you develop the skills necessary to accomplish these objectives. This course is writing-intensive, and you will learn how to write in a manner that will enhance the decision-making process.

**Grades:** The final course grade will be calculated according to the following formula:

Three exams:	55%
Assignments:	25%
Project:	10%
Attendance and Participation:	10%

**Exams:** You will take two midterm exams and one final exam. The lowest exam grade will be worth 15% and the two highest exam grades will be worth 20% each. Exam dates are noted on the syllabus and will not be changed. Exams consist of problems, essays, and short answer questions. Formula sheets (copied from KEY EQUATIONS found in Appendix B of the textbook) 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.

**Assignments:** The end-of-chapter assignments are listed in the following pages alongside an associated date, chapter and topic (CT: Critical Thinking and Concepts Review, QP: Questions and Problems, WEB: What's on the Web?). These assignments must be turned in upon completion of the relevant chapter on due dates announced in class. The assignments will be graded, and homework turned in late (after the class period in which it is due) will be penalized one letter grade per day late. Missing assignments will receive a zero, which can significantly lower your overall assignment grade. Assignments may be changed, as announced in class. If you miss class you are responsible for finding out about due dates and changes in assignments. Failure to attend class is NOT a valid excuse for turning in assignments late. You MUST SHOW ALL WORK on the assignments and provide complete, well-written explanations of your answers when appropriate. Please put all answers in your own words. HELPFUL HINT: Answers to the odd-numbered problems can be found in Appendix C at the end of the textbook. If you do not understand an assigned even-numbered problem, try a similar odd-numbered problem first. Also feel free to ask me questions about these assignments in person or via email, but be sure to do so well in advance of the due dates.

**Project:** The 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. A detailed description will be distributed in class.

You should make use of the Writing Center. Please note that the Writing Center is located in a building that is not accessible to persons with mobility impairments. If you need the services of the Writing Center, please call 610-861-1392.

**Attendance and Participation:** I take attendance at the beginning of each class. If you come in late you are responsible for letting me know that you are in class. You should read the chapters and try to do the self-test problems before coming to class so that you can participate in class discussions.

**Honesty:** All students are expected to adhere to the College's Policy on Academic Honesty as outlined in the Student Handbook. Students who violate the policy must accept the consequences dictated by this policy. If you have any questions about this policy, please see me.

**Classroom Behavior:** Please be considerate. Do not arrive late, leave early, or walk out during class. Turn off cell phones before coming to class. Do not engage in personal conversations during class and respect your fellow classmates' opinions.

**Caveat:** I will make every effort to cover the material outlined in the following pages of this syllabus. However, unexpected events may cause the delay or removal of some material. These changes will be announced in class.

DATE	CHAPTER	TOPIC	ASSIGNMENT
Aug 30	1	Introduction to Financial Management	CT: 1.1, 1.6, 1.10
Sept 1			
6	2	Financial Statements, Taxes and Cash Flow	CT: 2.3, 2.5 Chapter Case
8	3	Working with Financial Statements	CT: 3.11, 3.12 Chapter Case
13			
15		FALL CONVOCATION	
20	4	Introduction to Valuation: Time Value of Money	CT: 4.5, 4.7, 4.8 QP: 6,10,12,14,16,26
22	5	Discounted Cash Flow Valuation	CT: 5.6, 5.10 Chapter Case
27			
29		EXAM 1	
Oct 4	6	Interest Rates and Bond Valuation	CT: 6.1, 6.15 QP: 4,6,10,12,15,18 WEB: 6.1, 6.2 (amended)

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DATE	CHAPTER	TOPIC	ASSIGNMENT
Oct 6			
11		FALL BREAK	
13	7	Equity Markets and Stock Valuation	CT: 7.1, 7.2, 7.3 Chapter Case
18			
20	8	Net Present Value and Other Investment Criteria	CT: 8.1, 8.4, 8.11 QP: 2,4,16,22,24
25			
27	9	Making Capital Investment Decisions	CT: 9.1, 9.6, 9.11 Chapter Case
Nov 1			
3		EXAM 2	
8	10	Lessons from Capital Market History	CT: 10.4 QP: 12,22,24
10	11	Risk and Return	CT: 11.9, 11.10 QP: 7,24,30 WEB: 11.1
15			
17	12	Cost of Capital	CT: 12.4, 12.6 QP: 25
22			
24		THANKSGIVING BREAK	
29	13	Leverage and Capital Structure	TBA
Dec 1	14	Dividends and Dividend Policy	TBA
6			
13	1:30 PM	Final Exam	