

Moravian College
Department of Economics and Business
ECON/MGMT 231: Managerial Finance
Fall Term 2016
Comenius 201
Tuesday, Thursday 1:10 – 2:20

Instructor: Dr. Linda L Ravelle
Office: Comenius 217
Office Phone: 610-861-1453
e-mail: ravelle@moravian.edu
Office Hours: T 9:30 – 11:30, Th 2:30 – 3:30, also by appointment

Prerequisites: ECON 152, ECON 156, and ACCT 157

Textbook: Ross, Westerfield, and Jordan, ESSENTIALS OF CORPORATE FINANCE 8e, McGraw-Hill, 2014. The textbook is required and you must bring the textbook to every class.

Recommended: You should read the financial news regularly. Good free online sources are *bloomberg.com*, *marketwatch.com*, and *reuters.com*. *The Wall Street Journal* is also good but free material is limited. Reeves Library subscribes to this newspaper.

Course Objectives: This course is designed to develop your understanding of basic financial concepts such as the 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.

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

Exams	65%
Assignments	15%
Term Project	10%
Attendance and Participation	10%

Exams: You will take two midterm exams and a final exam. The exam dates are listed on the syllabus and will not be changed. The highest exam grade is worth 25%, and other two grades are worth 20%, of your final grade. The exams consist of problems and short answer questions. Formula sheets (copied from KEY EQUATIONS found in Appendix B) 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 cannot share calculators and you cannot use cell phones as calculators. Makeup exams are given only in EMERGENCY situations and are different than the original exam. Makeup exams will not be graded on a curve. You are not allowed to leave the room during an exam.

Assignments: Homework problems will be assigned throughout the semester. These assignments will be announced in class. Some of these will be collected and graded and others will be covered in class and will contribute to your participation grade. The homework will include questions and problems from the textbook. You are responsible for obtaining the correct textbook in time to complete the assignments. If you miss class you are responsible for finding out about the assignments. In order to receive credit for graded assignments you must show all work, clearly explain your answers, and put all answers in your own words. Plagiarized assignments will receive a zero. Late assignments will be penalized one letter grade per day late. Missing assignments receive a zero.

Answers to the odd-numbered problems can be found in Appendix C of the textbook. If you do not understand an assigned even-numbered problem try a similar odd-numbered problem first. Please feel free to ask me questions about the assignments in person or via email, but be sure to do so well in advance of the due dates. The Economics and Business department also provides tutors for this class.

The material covered in this class is cumulative. It is important that you keep up with the readings and assignments. If you have trouble with some of the material you should seek help as soon as possible to avoid falling behind.

I do not usually use PowerPoint notes but may use them to review some of the material in the textbook. In this case I will not distribute copies because you can follow along in the textbook.

Project: The project is designed to help you apply financial principles learned in class to the analysis of an actual company. You will receive project assignments throughout the semester.

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. Frequent late attendance will reduce your attendance grade. You should read the assigned chapter and do the homework assignments before coming to class so that you can participate in classroom discussions and ask questions about the assignments.

If you miss class you are responsible for getting the notes from someone in class. I do not give out copies of my class notes.

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

Disabilities: Students who wish to request accommodations in this class for a disability should contact Ms. Elaine Mara, Assistant Director of Academic & Disability Support, located on the first floor of Monocacy Hall (extension 1401). Accommodations cannot be provided until authorization is received from the Academic & Disability Support office.

Classroom Behavior: Please be considerate. Do not arrive late, leave early, or walk out during class. Be prepared to stay for the full 70 minute class. Turn off cell phones and put them away during class. Do not engage in personal conversations during class and respect your fellow classmates' opinions.

Caveat: This syllabus is subject to change, as announced in class.

Date	Topic	Reading Assignment
	OVERVIEW OF FINANCIAL MANAGEMENT	
Sept 1	Introduction to Financial Management	Chapter 1
	UNDERSTANDING FINANCIAL STATEMENTS AND CASH FLOW	
Sept 3	Financial Statements, Taxes, and Cash Flow	Chapter 2
Sept 8		
Sept 10	Working With Financial Statements	Chapter 3
Sept 15		
	VALUATION OF FUTURE CASH FLOWS	
Sept 17	Introduction to Valuation: The Time Value of Money	Chapter 4
Sept 22		
Sept 24	Discounted Cash Flow Valuation	Chapter 5
Sept 29		
Oct 1	EXAM 1	
	VALUING STOCKS AND BONDS	
Oct 6	Interest Rates and Bond Valuation	Chapter 6
Oct 8		
Oct 13	FALL RECESS	
Oct 15	Equity Markets and Stock Valuation	Chapter 7
Oct 20		
	CAPITAL BUDGETING	
Oct 22	Net present Value and Other Investment Criteria	Chapter 8
Oct 27		
Oct 29	Making Capital Investment Decisions	Chapter 9
Nov 3		
	RISK AND RETURN	
Nov 5	Some Lessons from Capital Market History	Chapter 10
Nov 10	EXAM 2	
Nov 12	Risk and Return	Chapter 11
Nov 17		
	LONG-TERM FINANCING	
Nov 19	Cost of Capital	Chapter 12
Nov 24		
Nov 26	THANKSGIVING BREAK	
Dec 1	Leverage and Capital Structure	Chapter 13
Dec 3		
Dec 8	Dividends and Dividend Policy	Chapter 14
Dec 10		
Dec 18	FINAL EXAM 8:30 AM	