

Syllabus for
FIN 338—Financial Management
3 Credit Hours
Spring 2017

I. COURSE DESCRIPTION

A study of the basic principles and theories of business finance including the tax environment, cash-flow analysis, working capital management, effects of financial and operational leverage, capital budgeting, cost of capital analysis, investment banking, mergers, acquisitions, reorganizations, and liquidations. Prerequisites: ACT 216 – Principles of Financial and Managerial Accounting II; BUS 102 – Principles of Economics II; and MAT 232 – Elementary Statistics.

Business Technology Fee: \$25

II. COURSE GOALS

- A. In line with the purpose of this University, this course seeks to do the following:
 - 1. Contribute to the education of the whole person.
 - 2. Encourage the synthesis and integration of the common bond of knowledge provided by the university into a unified whole.
 - 3. Sharpen the communication, computation, and critical analysis skills of each student.
 - 4. Demonstrate that knowledge and experience are related, not separated.
 - 5. Assist the students' development of basic skills, acquiring of basic knowledge, and formulation of a world vision.
 - 6. Advocate the examination of this field of knowledge in the context of its influence upon and its being influenced by others (press, society, and others).
- B. In keeping with the purpose of the finance program, this course is designed to prepare a student for an active role in professional finance. The program combines the broad foundation of business administration with professional financial knowledge so that the student has the potential of maximum achievement in several of the varied fields within finance (i.e., banking, financial management, and investments). An objective of this program is to focus on the interpretation and implementation of financial decisions. Through all of the courses in finance it is the purpose of the program to develop an integrated person—spiritually alive, intellectually alert, and physically disciplined.
- C. In line with the departmental objectives, this course seeks to prepare the student in the following areas:
 - 1. Critical thinking (skills in reasoning, objectivity, analysis, interpretation, research or decision making relevant to the discipline)
 - 2. Broad, comprehensive, foundational knowledge for the professional standards of the major
 - 3. Internalization of Christian business ethics and professionalism

III. STUDENT LEARNING OUTCOMES FOR THIS COURSE

- A. Upon successful completion of this course the student will be able to do the following:
1. Explain and discuss the relationship between financial management and marketing, management, and accounting.
 2. Explain the importance of investment to the economy and the financial manager's responsibility to society.
 3. Effectively analyze financial statements and compute the relevant financial ratios.
 4. Calculate and discuss issues relating to time value of money.
 5. Calculate and discuss the valuation of stocks and bonds and their applicability to corporate finance.
 6. Calculate and discuss the role of risk in the decision-making activities of the firm.
 7. Calculate and discuss the relevant change in cash flows resulting from promotional and other marketing activities of the firm.
 8. Calculate and discuss the relevant impact of earnings and stock prices resulting from promotional and other marketing activities of the firm.
 9. Discuss the process of planning for, acquiring, and utilizing funds in order to maximize the value of the firm.
 10. Apply mathematical concepts and models to various corporate financial situations.
 11. Calculate and discuss foreign exchange issues, purchasing power parity, and interest rate parity in a global/or international context.
- B. Upon successful completion of this course the student will be able to solve financial models and problems by utilizing both the quantitative and qualitative methodologies of financial management. These skills will be developed through lectures, classroom discussions, and working both sample and homework problems. The student will be able to solve, differentiate, and analyze models, problems, and statements with an accuracy level of 70 percent or above in the following areas:
1. Basic Financial Management Concepts
 2. Financial Statement and Ratio Analyses
 3. Time Value calculations
 4. Bond and Stock Valuation
 5. Rates of Return and Cost of Capital
 6. Capital Budgeting and Cash Flow
 7. Dividend Policy
 8. Working Capital Management
 9. International Financial Management

IV. TEXTBOOKS AND OTHER LEARNING RESOURCES

- A. Required Text
- Brigham, Eugene F. and Joel F. Houston, Fundamentals of Financial Management (Concise Edition), **7th edition**, Cengage Learning, 2011
ISBN: 978- 0538477116
- OR:**
- Brigham, Eugene F. and Joel F. Houston, Fundamentals of Financial Management (Concise Edition), **6th edition**, South-Western College Publishing, 2008
ISBN: 0324664559

OR:

Brigham, Eugene F. and Joel F. Houston, Fundamentals of Financial Management (Concise Edition), **5th edition**, Thomson South-Western: Mason, Ohio, 2007
ISBN: 0324319835

OR:

The 11th edition (not the concise book) will also work as it just has four more chapters. However, it will be the responsibility of the student to ensure that the problems and chapters assigned from the concise 5th or 6th editions during the course correlate to the problems and chapters in the 11th edition.

B. Other Required Materials

1. **Texas Instruments TI-83 plus (preferred)** or BAII Plus Financial Calculator
2. The instructor will use and instruct from the TI-83 plus. If the student uses something else, the instructor will attempt to help the student outside of class, but the instructor will not interrupt the flow of class for other calculators.

V. POLICIES AND PROCEDURES

A. University Policies and Procedures

1. Attendance at each class or laboratory is mandatory at Oral Roberts University. Excessive absences can reduce a student's grade or deny credit for the course.
2. Students taking a late exam because of an unauthorized absence are charged a late exam fee.
3. Students and faculty at Oral Roberts University must adhere to all laws addressing the ethical use of others' materials, whether it is in the form of print, electronic, video, multimedia, or computer software. Plagiarism and other forms of cheating involve both lying and stealing and are violations of ORU's Honor Code: "I will not cheat or plagiarize; I will do my own academic work and will not inappropriately collaborate with other students on assignments." Plagiarism is usually defined as copying someone else's ideas, words, or sentence structure and submitting them as one's own. Other forms of academic dishonesty include (but are not limited to) the following:
 - a. Submitting another's work as one's own or colluding with someone else and submitting that work as though it were his or hers;
 - b. Failing to meet group assignment or project requirements while claiming to have done so;
 - c. Failing to cite sources used in a paper;
 - d. Creating results for experiments, observations, interviews, or projects that were not done;
 - e. Receiving or giving unauthorized help on assignments.By submitting an assignment in any form, the student gives permission for the assignment to be checked for plagiarism, either by submitting the work for electronic verification or by other means. Penalties for any of the above infractions may result in disciplinary action including failing the assignment or failing the course or expulsion from the University, as determined by department and University guidelines.
4. Final exams cannot be given before their scheduled times. Students need to check the final exam schedule before planning return flights or other events at the end of the semester.
5. Students are to be in compliance with University, school, and departmental policies regarding Whole Person Assessment requirements. Students should

consult the Whole Person Assessment handbooks for requirements regarding general education and the students' majors.

- a. The penalty for not submitting electronically or for incorrectly submitting an Whole Person Assessment artifact is a zero for that assignment.
- b. By submitting an assignment, the student gives permission for the assignment to be assessed electronically.

B. Course Policies and Procedures

1. Evaluation Procedures - Course participation is evaluated as follows:

a. Assignments and graded coursework	
MEASUREMENT	Percentage
Chapter Outlines/Quizzes	5%
Quizzes and Miscellaneous Homework	5%
Major Homework Assignments/Quizzes	30%
Spreadsheet Assignment 1	15%
Examination One	5%
Midterm Examination	10%
Spreadsheet Assignment 2	15%
Examination Three	5%
Comprehensive Final	<u>10%</u>
TOTAL	<u>100%</u>

Late work will not be accepted unless the instructor deems the circumstances to be particularly meritorious and extraordinary. **The instructor reserves the right to alter the weighting, content, or composition of the graded coursework presented in the above table at any time.** Therefore, the above table should be viewed as an approximation presented for guidance, not as a certainty. Trends in the grades earned by individuals throughout the course will also be taken into consideration when individual final grades are reported.

Consistency and improvement throughout the semester are preferred.

Important Note: It is assumed by the instructor that each student will devote approximately 2.0 to 3.0 hours of preparation (reading, studying and problem solving) before attending each class. If you are not spending the requisite time in preparation for the class you will be overwhelmed by the material.

b. English proficiency and organization of assignments

All formal written assignments submitted for grading are expected to conform to proper grammatical and spelling standards. Students should be aware that automated spelling checkers in word processing software are not foolproof. There is no substitute for personally proof-reading a document for errors. In addition, students should be aware that automated checkers do not always suggest the correct grammatical format.

Since all students at Oral Roberts University are considered to be adults, the quality of work will be assessed accordingly. This includes the previously mentioned spelling and grammatical standards, as well as the organization of assignments. Homework assignments may be written by hand, provided that they are legible and neatly organized. Projects must be presented in a clear and concise manner that adheres to the guidelines provided.

- c. Missed examinations
Any examination not taken at the scheduled time due to an **excused** absence must be made up at a time arranged with or by the instructor. **Generally, tests missed for an unexcused absence cannot be made up.** All students who anticipate missing an exam will submit **in writing, 24 hours** in advance of the exam, to the department secretary the student's name and reason for missing the exam. Those students who are ill the day of the exam will notify the department secretary by phone (X6555) **prior** to the time of the exam. **A doctor's written excuse** will be expected upon the student's return to the classroom. Failure to comply with the above rules forfeits the right of the student to make up the missed exam.
- d. Extra credit assignments
The instructor reserves the right to create extra credit assignments for optional completion by students. This does not guarantee that extra credit opportunities will be available.
- e. Oral Roberts University athletes
The official athletics of the University may from time to time interfere with the completion of course work by student athletes. Student athletes are expected to provide detailed schedules of their approved athletic absences, along with the necessary documentation, at least one week in advance. All missed coursework must be completed according to the timeline established by the instructor. In order to insure that professional and productive communication between student athletes and the instructor occurs, student athletes are expected to inform the instructor of their student athlete status as soon as possible at the beginning of the semester.
- f. Plagiarism and cheating
Neither plagiarism nor cheating will be tolerated. The detection of any plagiarism in a submitted assignment, whether the material was plagiarized from another student, website, online article, book, or any other source, forfeits the right of the student to receive a grade other than zero for that assignment. The detection of any cheating forfeits the right of the student to receive a grade other than zero for the assignment, quiz, or examination involved. In cases of plagiarism or cheating the instructor reserves the right to assign a grade other than zero for the assignment, quiz, or examination should he deem such leniency to be appropriate in light of the amount of plagiarism or cheating involved, and also based upon other potentially mitigating factors that may arise. Furthermore, the instructor reserves the right to assign a **failing final grade for the entire course** to any student who has committed any amount of plagiarism or cheating – regardless of the student's performance on any other graded coursework.
- g. Additional grading policies
Students should consider that each fifty minute class period is costing them, someone they love, or taxpayers a cumulative amount of approximately \$72. For classes offered on Tuesdays and Thursdays, the cost of a missed class is approximately \$107. Missed classes therefore carry a very high opportunity cost. Furthermore, being five minutes late for class wastes over \$7 paid for that class time. As a result, students are expected to view promptness and professional

department as integral portions of this course.

2. Attendance Policy

- a. In line with the University policy, attendance is mandatory and is taken at the beginning of class. All students who miss class including those who are administratively excused are expected to obtain class notes and materials and to turn in assignments within a reasonable time period determined by the professor. In business, employees are allowed personal days or sick leave to be absent from the job without penalty. Similarly, students may miss class up to the number of times per week a class meets without penalty (see table below). This allowance is for illness, personal business, and/or emergencies. The professor has the discretion to excuse any absence beyond those described above.
- b. If a student has excessive *unexcused* absences, a penalty will be assessed as follows:

Number of days the class meets per week	Number of absences <u>not</u> resulting in a penalty	For <u>each additional day</u> the student incurs an unexcused absence beginning with absence number:	The student's total number of points will be reduced by*:
3	3	4	2%
2	2	3	3%
1	1	2	7%

*Based on a 15 week semester and the number of days per week the class meets.

- c. Whether excused or unexcused, excessive absences may negatively impact the student's performance/grade and may cause the student to fail the course.
- d. The professor has the prerogative to assign bonus points (if any) for perfect attendance.

3. Tardies

- a. Tardy is defined as missing *any* portion of class.
- b. Being consistently tardy to class is disruptive to the class and disrespectful to the professor and to fellow class members. This type of behavior is unacceptable in business. Thus, three unexcused tardies will be equal to one unexcused absence.
- c. Depending on the amount of the class missed, makeup work may be required or a student may be marked absent for that class.
- d. To not be counted absent altogether, the student is responsible to inform the professor that he/she was tardy immediately following that class.

4. Grades are likely to be assigned on the following basis:

A = 92% - 100%
B = 82% - 91.999%
C = 70% - 81.999%
D = 60% - 69.999%
F = <60%

The instructor reserves the right to adjust the above scale as necessary to better reflect the attainment of the desired learning objectives. Such adjustments may also be performed on an individual basis at the discretion of the instructor.

5. Whole Person Assessment Requirements – None

VI. COURSE CALENDAR

WEEK	MATERIAL	PRE-ASSIGNMENT (5the)
Week 1	Introduction to Course and Syllabus Review Overview of Financial Management	
Week 2	Financial Statement Analysis Instructions for Spreadsheet Assignment 1	Read Chapters 1, 3, and 4
Week 3	Markets, Institutions, and Interest Rates Risk, Return, and Uncertainty	Read Chapters 5, 6, and 8
Week 4	Time Value of Money	Read Chapter 2
Week 5	Securities Valuation	Read Chapters 7 and 9 Spreadsheet 1 due
Week 6	Cost of Capital	Read Chapter 10
Week 7	Capital Budgeting & Cash Flow Estimation	Read Chapters 11 and 12
Week 8	Capital Budgeting & Risk Analysis Spreadsheet Assignment 2	Read Chapters 11 and 12
Week 9	Midterm Exam	Chapters 1-10
Week 10	BREAK	
Week 11	Optimizing Capital Structure	Read Chapter 13
Week 12	Dividends and Share Repurchases	Read Chapter 14 Spreadsheet 2 due
Week 13	Managing Working Capital	Read Chapter 15
Week 14	Financial Planning and Forecasting	Read Chapter 16
Week 15	International Financial Management Thanksgiving Break	Read Chapter 17
Week 16	International Financial Management	Read Chapter 17
Week 17	Review for Final Exam FINAL EXAM	Chapters 1-17, lectures, homework, projects Chapters 1-17, lectures, homework, projects

Course Inventory for ORU's Student Learning Outcomes

FINANCIAL MANAGEMENT FIN 338 **Spring 2017**

This course contributes to the ORU student learning outcomes as indicated below:

Significant Contribution – Addresses the outcome directly and includes targeted assessment.

Moderate Contribution – Address the outcome directly or indirectly and includes some assessment.

Minimal Contribution – Address the outcome indirectly and includes little or no assessment.

No Contribution – Does not address the outcome.

The Student Learning Glossary at <http://www.oru.edu/Student%20Learning%20Glossary.pdf> defines each outcome and each of the proficiencies/capacities.

OUTCOMES and Proficiencies/Capacities		Significant Contribution	Moderate Contribution	Minimal Contribution	No Contribution
1	Outcome #1 – SPIRITUALLY ALIVE				
	<i>Proficiencies/Capacities</i>				
1A	Biblical knowledge			X	
1B	Sensitivity to the Holy Spirit			X	
1C	Evangelistic capability				X
1D	Ethical behavior	X			
2	Outcome #2 – INTELLECTUALLY ALERT				
	<i>Proficiencies/Capacities</i>				
2A	Critical thinking	X			
2B	Analytical problem solving	X			
2C	Global and historical perspectives			X	
2D	Aesthetic appreciation				X
2E	Intellectual creativity	X			
2F	Information literacy	X			
3	Outcome #3 – PHYSICALLY DISCIPLINED				
	<i>Proficiencies/Capacities</i>				
3A	Healthy lifestyle				X
3B	Physically active lifestyle				X
3C	Properly balanced nutrition plan				X
4	Outcome #4 – SOCIALLY ADEPT				
	<i>Proficiencies/Capacities</i>				
4A	Communication skills	X			
4B	Interpersonal skills		X		
4C	Appreciation of cultural and linguistic differences				X
4D	Responsible citizenship		X		
4E	Leadership capacity	X			