Course Syllabus

FI 630 Financial Management I

Course Information

Course: Financial Management I – FI 630
Term: MBA winter, 2016
Credit Hours: 3
Prerequisite: AC 501, EC 501, EC 540 or equivalents.
Financial Calculator required: TI 83(or higher models) or TI BA II Plus
Class Room: Whitfield Center, 507
Class Time: Thursdays 6:00 PM-9:20 PM

Instructor: Ling Zhang
Office Location: Whitfield 506B
Email Address: ling.zhang@avila.edu
Office Hours: Monday and Wednesdays 10:30am-11:45am; 2:00pm-3:00pm,
Tuesdays and Thursdays: 1:00pm-2:00pm
Or by appointment.

Course Description

This course provides an introduction of the major theories and models of corporate finance and applies them to real companies. Corporate financial decisions will be classified and discussed in three major groups: the investment decisions, the financing decisions, and the dividend decisions. Examples on real companies will be used to illustrate the theories and principles. Topics include: time value of money; corporate governance; equity risk and expected returns; default risk and the cost of debt; cost of equity, and cost of capital; investment decision rules; capital structure; dividend policy; valuation principles and practice. The objective of this course is to enhance the understanding of the theories and models related to corporate financial management, to build strong analytical skills to make sound financial decisions that cover all the major aspects of business. While the emphasis is on decision making within a corporate
environment, the tools taught in this course are just as relevant to other forms of business organization and to personal financial management.

Course Objectives and Assessments

- Deepen the understanding of major theories and models in corporate finance, including time value of money, equity risk and expected returns, default risk and cost of debt, cost of equity, cost of capital, the hurdle rate, capital structure, dividend policy and valuation principles. This outcome will be assessed by homework assignment, online quizzes, exam questions and course projects.
- Build strong analytical skills to solve real business problems using deductive and inductive reasoning in the area of capital budgeting, capital structure, and dividend policy. This outcome will be assessed by homework assignment, online quizzes, and exam questions.
- Acquire and apply critical thinking to make informed decisions. This outcome will be assessed by homework assignment, online quizzes and exam questions.
- Collect and analyze real financial and business data to produce informative, relevant and useful results for decision making. This outcome will be assessed by the course projects.
- Demonstrate professional communication skills in the business setting via written, oral and technological means. This outcome will be assessed by the course projects and homework assignment.
- Raise awareness of corporate identity, the importance of building right relationships between various parties within the corporation, and the right relationship between the corporation and the community, and the society. This outcome will be assessed by homework assignment and discussion questions.
- Raise awareness of corporate social responsibility. This outcome will be assessed by homework assignment and discussion questions.
- Promote business ethics. This outcome will be assessed by homework assignment and discussion questions.

Course Method

Lecture method is used in combination with student in-class presentation, live case discussion, and data analysis project to promote active learning. Assigned chapter materials will be introduced and discussed. Applications of the materials through real examples and illustrations will follow. All course relevant materials including course syllabus, handouts, online quizzes, detailed instructions and requirements for course projects will be available on canvas.
Course Grading

Course grade will be determined by the following weighted criteria:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Online Quiz</td>
<td>150</td>
</tr>
<tr>
<td>Mid-Term Exam</td>
<td>100</td>
</tr>
<tr>
<td>Final Exam</td>
<td>100</td>
</tr>
<tr>
<td>In-class Presentation</td>
<td>50</td>
</tr>
<tr>
<td>Course Projects</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>500</strong></td>
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**Online Quiz:** Online quizzes will be given on selected chapters. The quizzes will be in multiple choice format and will be graded.

**Exam (Midterm Exam and Final Exam):** Two exams will be given on the dates as shown on the attached tentative course schedule. The exams will be close-book, close-notes exams administered in the classroom on campus. No cell phones, MP3 players, electronic dictionaries, laptops or other electronic devices are allowed during the exam. The exams will consist of multiple choice questions and problems. Each exam is 100 points in total.

**In-Class Presentations:** There will one presentation given by a group of students every week except for the first week, weeks reserved for mid-term and final exam, and the week reserved for project presentation. The topic of the presentations is as follows:

- The Bankruptcy of Lehman Brothers.
- The Tulip Mania
- Scam of the Century: Bernie Madoff and the $50 Billion Fraud
- The Enron Scandal
- Rino International
- An overview of the hedge fund industry
- An overview of the mutual fund industry

The presenters are expected to prepare a power point presentation for 15-20 minutes, and ask the audience at least 3 questions to facilitate class discussion. The presentation will be graded by the peer based on the content as well as the presentation skills.

**Course Projects:**

Students are expected to select an industry and carry out an in-depth analysis of the industry. Two public companies operating in the selected industry will be analyzed and compared using real financial data from the perspectives of accounting performance using financial ratios, stock price, risk profiles, and growth opportunities etc. Detailed instructions and requirements for each phase of the project will be provided on canvas under the relevant module.
Class grading scale is as follows:

- 450-500 points  A
- 400-449 points  B
- 350-399 points  C
- 300-349 points  D
- 0-299 points F

**Course Policies**

A) Attendance – Avila University requires class attendance. You are expected to be in class on time for in-classroom sessions.

B) Make-up Exam – Make-up exam will only be granted with valid official documentation, some other documented personal emergency, or by prior arrangement to accommodate some other unavoidable conflict. Make-up exam must be taken no later than the next scheduled class period.

C) Late submission of online quizzes and course projects: Late submission of online quizzes and course projects will not be accepted. Late submission will automatically result in 0 for that quiz or the part of the project which is late. Everything needs to be submitted on canvas. No paper copies will be accepted. If you need help with Canvas, please contact IT help desk.

D) Academic Honesty – The policy of Avila University concerning cheating and plagiarism will be strictly followed in class.

E) Accommodations – If you have a disability and require accommodations, please contact the office of Disability Services early in the semester so that your learning needs may be appropriately met. You will need to provide documentation of your disability to the Disability Services before any accommodations are arranged. The office, which is in lower Blasco Hall, is in the Learning Center, call 816-501-3666 (telephone and TTY) for more information.

F) Use of Cell Phones in the Classroom - Cell phones may be used during class to receive important/crucial messages or information such as that provided by the Avila University text message alert service. Please remember to put phones on silent in class. Cell phone use is not allowed during exams.
# Tentative Class Schedule (Subject to Change)

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topics</th>
</tr>
</thead>
</table>
| 1    | Jan 7\(^{th}\) | Chapter 1. Financial Management-An Introduction  
Chapter 2. Financial Statements                           |
| 2    | Jan 14\(^{th}\) | Chapter 14 Financial Ratios and Firm Performance  
Chapter 3 Time Value of Money  
Presentation Topic: The Enron Scandal               |
| 3    | Jan 21\(^{st}\) | Chapter 4 Time Value of Money  
Chapter 5 Interest Rate  
Presentation Topic: The Bankruptcy of Lehman Brothers   |
| 4    | Jan 28\(^{th}\) | Chapter 6 Bonds and Bond Valuation  
Presentation Topic: Rino International                      |
| 5    | Feb 4\(^{th}\)   | Mid-term Exam  
Project Phase I &II Due                                    |
| 6    | Feb 11\(^{th}\) | Chapter 7 Equity and Equity Valuation  
Chapter 8 Risk and Return  
Presentation Topic: The Tulip Mania                         |
| 7    | Feb 18\(^{th}\) | Chapter 8 Risk and Return  
Presentation Topic: An overview of the mutual fund industry |
| 8    | Feb 25\(^{th}\) | Chapter 9 Capital Budgeting Decision Models  
Chapter 11 Cost of Capital  
Presentation Topic: An overview of the hedge fund industry |
| 9    | Mar 3\(^{rd}\)  | Chapter 16 Capital Structure  
Chapter 17 Dividends, Dividend Policy and Stock Splits  
Presentation Topic: Scam of the Century: Bernie Madoff and the $50 Billion Fraud |
| 10   | Mar 10\(^{th}\) | Project Presentation  
Project Phase III, IV & V Due                            |
| 11   | Mar 17\(^{th}\) | Final Exam                                                                                       |