

MANAGERIAL FINANCE – FIN 301–04

Prerequisites: ACT 203 or 201, STA 201, and ECO 113-114

Fall 2016

Instructor: Chandan Jha**Lectures:** SCA 318, T TH 11:30AM 12:45PM**Office:** Reilly Hall 330**Office hours:** T TH 2PM–4PM**Office Phone:** 445–4436

or by appointment.

E-mail: jhack@lemoyne.edu (Emails will be answered within 24 hours barring weekends.)Course website: <https://canvas.lemoyne.edu>

Log in with your Le Moyne ID and password.

Course Description

This course covers the basic financial issues and provides an introduction to finance theory and practices. The objective of the course is to cover the basic financial issues facing financial managers and investors, and is organized in following parts:

- Introduction to and Fundamental Concepts of Financial Management (Chapters 2, 5, & 6): This part introduces students with the fundamentals of financial markets and institutions. We explore the need for financial markets and different kinds of financial institutions, and learn what interest rates are and how they are determined.
- Financial Assets (Chapters 7, 8, & 9): This section talks about the different types of financial assets such as stocks and bonds. We discuss the risks and returns associated with the bonds and learn how stocks and bonds are valued.
- Capital Budgeting (Chapters 10 & 11): This section deals with the issue of investing in long-term assets and provides students with the tools to assess the costs of and returns from an investment.
- Capital Structure and dividend policy (Chapters 13 & 14): In this section, we learn about business and financial risks and explore the factors that determine/affect the optimal capital structure. We go on to learn about investors' preferences regarding different types of returns from stocks and the factors that influence the returns.

Learning Objectives

- Have a general knowledge of financial environments in which a corporation operates and its implications to financial management.
- Understand important finance concepts such as time value of money, cost of capital, and the risk and return relationship; understand their applications to a firm's financing and investing decisions.
- Apply analytic and critical thinking skills to solving basic financial issues, such as cash flow valuation and capital budgeting.
- Last, but not least important, develop educated intuition in financial decision making and analysis in general.

Course Materials

Required Textbook: *Fundamentals of Financial Management, Concise (9th edition)* by Eugene F. Brigham and Joel F. Houston plus access code to MINDTAP for the book (Bookstore has details).

Required: A financial calculator, preferably Texas Instruments BAII Plus.

Additional Readings: Articles from the popular press such as *Wall Street Journal* and *The Economist* and Federal Reserve's website will be assigned periodically. Links to these articles or copies of the articles will be posted on [Canvas](#).

Grading Scale

90– < 94	A–	> 94	A		
80– < 84	B–	84– < 87	B	87– < 90	B+
70– < 74	C–	74– < 77	C	77– < 80	C+
60– < 70	D				
< 60	F				

Grading Policy

Graded Item	Weight	Description
Homework	25%	Multiple homeworks will be assigned.
Exams	75%	3 exams – 25 percent each.

Students with Disabilities

If you have a disability and need accommodations, please meet with me within the first two weeks of the semester to review your accommodation sheet. You should meet with someone from the Office of Disability Support Services each semester to review your documentation. The Office is located in the Library (1st floor; 445 4118; dss@lemoyne.edu).

Missed Exam, Project, and Homework Policy

Any exams missed without a legitimate excuse and written documentation will receive a grade of zero. You have one week from the missed exam date to produce officially approved written documentation. The college approved excuses can be found at <http://www.lemoyne.edu/tabid/3070/default.aspx>.

Observance of Religious Holidays

As provided in New York State Education Law Section 224-a, any student who is unable to register for class, attend class, or participate in any examination, study or classwork requirements on a

particular day because of his or her religious beliefs is eligible for an equivalent opportunity to register for classes or make up any missed examination, study, or classwork requirements, without penalties or additional fees. For details, see the “Class Attendance” section of the College catalog or the “[Academic Life](#)” section of the Student Handbook.

Academic Standards

Students are expected to observe at all times the highest ethical standards as members of the academic community. Any form of dishonesty makes a student liable to severe sanctions, including expulsion from the College. For details, see the “Academic Standards” section of the College catalog or the Student Handbook.

Tentative Course Schedule and Reading Assignments

1. Introduction to and Fundamentals of Financial Management (August 30 – September 22)
 - Syllabus
 - Financial Markets and Institutions (Chapter 2).
 - Interest Rates (Chapter 6).
 - Time Value of Money (Chapter 5).

Exam 1 (Chapters 2, 5, & 6): September 27.

2. Financial Assets: September 29 – October 25.
 - Bonds and Their Valuation (Chapter 7)
 - Risk and Rates of Return (Chapter 8).
 - *October 11: Fall break, no class.*
 - Stocks and Their Valuation (Chapter 9).

Exam 2 (Chapters 7, 8, & 9): October 27.

3. Capital Budgeting (November 1 – 15).
 - The Cost of Capital (Chapter 10).
 - The Basics of Capital Budgeting (Chapter 11).
4. Capital Structure and dividend policy: (November 17 – December 8).
 - Capital Structure (Chapter 13).
 - *November 24: Thanksgiving break, no class.*
 - Distribution to Shareholders and Dividends (Chapter 14).

Exam 3 (Chapters 10, 11, 13, & 14): TBA