



FINA-3310:001 FINANCIAL MANAGEMENT SPRING 2021

**COURSE
INFORMATION:**

Class Meeting Day & Time: TR 2:00 PM – 3:15 PM
Class Location: UC-LONSTABC

Instructor: H. Zafer Yuksel

Office: OCNR 366

Office Hours: TR 11:00 AM – 1:00 PM or by appointment on Webex

Office Phone: 361.825.6015

Email: zafer.yuksel@tamucc.edu

Websites used:

- Blackboard (<https://bb9.tamucc.edu/>)
- www.zaferyuksel.com

Important Messages:

The University will require face coverings in all public spaces, including classrooms. A Face Covering FAQ can be found at <https://www.tamucc.edu/fall-2020/face-coverings-faq/>. As noted in the FAQ, students who may present themselves in a class without a mask may be provided a mask by the instructor. Students who refuse to wear a mask will be reported to Judicial Affairs.

This course may require the use of online exam-proctoring involving third party charges. Exam-proctoring charges up to \$50.00 per exam. Students are required to schedule exams at least 24 hours in advance or incur late scheduling charges. All costs for exams are the responsibility of the student. Students are also responsible for having webcams (build-in or add-on) that will be used during test proctoring.

If the need arises, students may be scheduled to attend face-to-face lectures only one day per week, while the material for the day they are not scheduled to attend, will be made available online on Bb9.

**COURSE
DESCRIPTION:**

A survey of financial management issues emphasizing planning and decision making. Specific topics covered include:

- discounted cash flow analysis,
- stock and bond valuation,
- financial intermediation,
- organizing, raising and managing capital,
- capital investment, risk analysis,
- financial statement analysis.



- COURSE OBJECTIVES: By the end of this course, students will be able to:
- Construct a company's financial statements, calculate financial ratios and make inferences about its financial characteristics and position (BBA Goal 2, Objectives 2 and 3)
 - Calculate the present and future values of a lump sum or a series of cash flows (BBA Goal 2, Objective 1).
 - Differentiate the characteristics of stocks and bonds and estimate the prices of bonds and stocks (BBA Goal 2, Objective 1).
 - Use the Security Market line to measure an asset's return when given its risk, or vice versa (BBA Goal 2, Objective 1)..
 - Understand the concept of Weighted Average Cost of Capital and how it is estimated (BBA Goal 2, Objective 1).
 - Calculate Net Present Value, Internal Rate of Return, and determine if an investment is acceptable (BBA Goal 2, Objective 1).

CLASS MATERIALS

Required Text:

- Essentials of Corporate Finance, by Stephen Ross; Randolph Westerfield; Bradford Jordan, 10th edition, McGraw-Hill Higher Education.
- A free version of the textbook is available via Connect when students register with *Connect™*, a McGraw-Hill web interface that allows students to complete all their assignments online.

PREREQUISITES:

ACCT 2301, BUSI 0011, MATH 1325 or equivalent and Junior standing or above.

ADDITIONAL
REQUIREMENTS:

Financial Calculator:

- A calculator that does **two variable statistic** (that is y^x) is needed for homework and exams. **HP 10BII** or **Texas Instrument's BAI1 Plus** business calculators that are the models of calculator that are authorized for use during CFA exam. No scientific calculators will be allowed.

Electronic Device:

- Desktop or laptop computers are required to complete the course.
- Internet Access for accessing Blackboard, university and publicly available databases and information.

COURSE
REQUIREMENTS

• **HOMEWORK AND QUIZES:**

- Over the course of the semester, each student will complete homework and assignments.
- In BB9 (Blackboard) each unit folder contains a link to its corresponding homework assignments and quizzes.
- All assignments must be completed by their due date. They are open notes, open books.
- Students can submit two answers for each homework/problem question and they are allowed to check if their answers are correct without any penalties. There are no time limit for homework assignments other than due dates. No printing is permitted.
- Quizzes have a time limit of 30 minutes and students are only



allowed one answer. They should be completed after the homework assignments.

- **EXTRA CREDIT OPPORTUNITY:** The completion of LearnSmart assignments is voluntary. The average grade of these assignments however can add up to 50 extra points (on a 1000-point scale) to the student's final grade. Their extra credit points will be calculated as the average percentage score on all twelve chapters x 50.

- **STOCKTRAK TRADING REQUIREMENTS AND GRADING POLICY:**

- During the Spring 2021 and from Monday, February 1 to Thursday, April 29 (by 12:00 pm, US Central Time) students must execute **a minimum number of 36 trades using at least 24 different companies.**
- **Each week**, students must execute a minimum of 3 different trades using at least two different companies or five points will be deducted for each week the minimum trading requirements are not met. If you make 36 trades and 24 companies only in one week, you will not receive full StockTrak Credit. Trades has to be executed each week
 - For example, in Week #2, Monday, February 1 to Friday, February 5, you must trade 3 trades and two different companies. Please, visit course schedule at the end of the syllabus. Each week, you must continue trading till end of the semester.
- By Thursday, May 6, 2021, and by 11:59 pm, students should upload their report as a single word document on Bb9.
- **StockTrak Grade**= $(\min(\# \text{ of trades}, 36)/36)*40 + (\min(\# \text{ of different companies traded}, 24)/24)*40 + 20$ (for report) - penalty points (for the required minimum number of weekly trades (3 trades each week))
- **StockTrak EXTRA CREDIT OPPORTUNITY:**
 - Extra 20 points will be given to all students whose portfolio performance will be better than the S&P 500 performance (the game starts on August 20 and ends on November 27). To receive the extra credit, students must have performed by November 27, a minimum of 42 trades using at least 30 different companies. Also, students should have submitted their reports on time and completed the minimum weekly trading requirements. Otherwise, no extra credit will be given.
 - Additional StockTrak Assignments: Within the StockTrak, I require students to read some important articles and take a quiz including "What is a stock?, Managing your portfolio, etc." The completion of these tests can add up 20 extra points (on a 1000-point scale) to the student's final grade. For example, your average grade of all these tests is 90%, you will receive $90/5=18$ extra points to your final grade.



- **MIDTERM and FINAL EXAMS:**
- There will be one midterm test and one final exam (cumulative).
- Test materials will come from lecture notes, the text, assigned readings, homework, and class discussion.
- Test format can be essay type questions, multiple-choice theoretical questions, and problems.
- Exam problems/questions will emphasize the understanding and application of concepts and topics covered.
- All tests are closed book, closed notes.
- Only a formula sheet will be allowed during examinations.

IMPORTANT RULES:

- The details and due dates of the projects and assignments will be announced in the class. All projects and assignments are to be turned in at the beginning of the class on their due date unless otherwise instructed. **Late projects and assignments will not be accepted.**
- Exam dates will be announced in class. **No make-up exams will be administered.** If you must miss an exam, notify me in advance and provide written documentation that the absence was an excused University activity, a severe illness, or a dire emergency. Exams are closed books. A sheet with formulas is allowed, but the formula sheet will be collected after the exam. To protect the integrity of the test banks employed, exams will not be returned. However, exams are available for review in my office during scheduled office hours for two weeks after the exam. Students are responsible for all material in the assigned readings, handouts, homework, and class presentations.

COURSE GRADING

Homework (100 points) and Quizzes (100 points)	.....	200
StockTrak trading and Report	.....	100
Midterm Exam	.....	300
Final Exam (Cumulative)	.....	400
Total	.....	1000

A letter grade may be determined based on the percentage earned of total points possible, as follows: A: 90-100%, B: 80-89%, C: 70-79%, D: 60-69%, F: 0-59%.

COURSE POLICIES

Attendance/Tardiness: Experience has shown that regular attendance is essential to the successful completion of any course. Attendance will be taken at every class meeting.

Late Work and Make-Up Exams: No make-up exams will be administered. If you must miss an exam, notify me in advance and provide written documentation that the absence was an excused University activity, a severe illness, or a dire emergency. Otherwise, a zero will be assigned for the exam. All assignments are to be turned in at the beginning of the class on their due date unless otherwise instructed. Late assignments will not be accepted.

Cell Phone/Electronic Device Usage: I expect everyone to follow all rules of common courtesy during classroom lectures and discussions. The presence of



cell phones and pagers, as well as other disruptive items or actions, are prohibited in the classroom. Laptops used for any purpose other than classwork is prohibited.

Academic Integrity/Plagiarism: University students are expected to conduct themselves in accordance with the highest standards of academic honesty. Academic misconduct for which a student is subject to penalty includes all forms of cheating, such as illicit possession of examinations or examination materials, falsification, forgery, complicity, or plagiarism. (Plagiarism is the presentation of the work of another as one's work.) In this class, academic misconduct or complicity in the act of academic misconduct on an assignment or test will result in disciplinary action.

Dropping a Class: I hope that you never find it necessary to drop this or any other class. However, events can sometimes occur that make dropping a course necessary or wise. Please consult with me before you decide to drop to be sure it is the best thing to do. Should dropping the course be the best course of action, you must initiate the process to drop the course by going to the Student Services Center and filling out a course drop form. Just stopping attendance and participation WILL NOT automatically result in your being dropped from the class. **LAST DAY TO DROP THE CLASS is Friday, February 19.** Dropping a class results an automatic grade of "W" this term.

Classroom/professional behavior: Texas A&M University-Corpus Christi, as an academic community, requires that each individual respect the needs of others to study and learn in a peaceful atmosphere. Under Article III of the Student Code of Conduct, classroom behavior that interferes with either (a) the instructor's ability to conduct the class or (b) the ability of other students to profit from the instructional program may be considered a breach of the peace and is subject to disciplinary sanction outlined in article VII of the Student Code of Conduct. Students engaging in unacceptable behavior may be instructed to leave the classroom. This prohibition applies to all instructional forums, including classrooms, electronic classrooms, labs, discussion groups, field trips, etc.

Grade Appeals: As stated in University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures, a student who believes that he or she has not been held to appropriate academic standards as outlined in the class syllabus, equitable evaluation procedures, or appropriate grading, may appeal the final grade given in the course. The burden of proof is upon the student to demonstrate the appropriateness of the appeal. A student with a complaint about a grade is encouraged first to discuss the matter with the instructor. For complete details, including the responsibilities of the parties involved in the process and the number of days allowed for completing the steps in the process, see University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures. These documents are accessible through the University Rules Web site at http://www.tamucc.edu/provost/university_rules/index.html. For assistance and/or guidance in the grade appeal process, students may contact the Dean's office in the college in which the course is taught or the Office of the Provost.



Disabilities Accommodations: The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please call or visit Disability Services at (361) 825-5816 in Corpus Christi Hall 116. If you are a returning veteran and are experiencing cognitive and/or physical access issues in the classroom or on campus, please contact the Disability Services office for assistance at (361) 825-5816.

Statement of Academic Continuity: In the event of an unforeseen adverse event, such as a major hurricane and classes could not be held on the campus of Texas A&M University-Corpus Christi, this course would continue through the use of Blackboard and/or email. Also, the syllabus and class activities may be modified to allow the continuation of the course. Ideally, University facilities (i.e., emails, web sites, and Blackboard) will be operational within two days of the closing of the physical campus. However, students need to make certain that the course instructor has a primary and a secondary means of contacting each student.

Civil Rights Statement: Texas A&M University-Corpus Christi is committed to fostering a culture of caring and respect that is free from discrimination, relationship violence, and sexual misconduct, and ensuring that all affected students have access to services. For information on reporting Civil Rights complaints and support resources, (including pregnancy support accommodations) or university policies and procedures, please contact the University Title IX Coordinator, Sam Ramirez (Samuel.Ramirez@tamucc.edu) or Deputy Title IX Coordinator, Rosie Ruiz (Rosie.Ruiz@tamucc.edu) at (361) 825-5826 or visit the TAMUCC website at <http://edcs.tamucc.edu/titleIX/>.

Limits to Confidentiality. Essays, journals and other materials submitted for this class are generally considered confidential pursuant to the University's student record policies. However, students should be aware that University employees, including instructors, are not able to maintain confidentiality when it conflicts with their responsibility to report alleged or suspected civil rights discrimination that is observed by or made known to an employee in the course and scope of their employment. As the course instructor, I must report allegations of civil rights discrimination, including sexual assault, relationship violence, stalking, or sexual harassment to the Title IX Coordinator if you share it with me.

These reports will trigger contact with you from the Civil Rights/Title IX Compliance office who will inform you of your options and resources regarding the incident that you have shared. If you would like to talk about these incidents in a confidential setting, you are encouraged to make an appointment with counselors at the University Counseling Center (<https://counseling.tamucc.edu/>).



Campus Emergencies: At TAMU-CC, your safety is a top concern. We actively prepare for natural disasters or human-caused incidents with the ultimate goal of maintaining a safe and secure campus.

- For any emergency, dial the University Police Department (UPD) at **361-825-4444** or dial 911. It's a good idea to have the UPD emergency number (and non-emergency number 361-825-4242) saved in your cell phone.
- There are nearly 200 classroom telephones throughout campus. If you feel threatened or need help and don't have a cell phone, dial 4444 (emergency) or 4242 (non-emergency) to be connected to UPD.
- If we hear a fire alarm, we will immediately evacuate the building and proceed to Hallway in front of OCN-344.
 - Proceed to the nearest building exit or evacuation stairway. Do not use the elevator. Persons who need help navigating stairs should proceed to a marked Area of Rescue Assistance, if possible.
 - Persons with disabilities should speak with their faculty about how to best assist them in case of an emergency.
 - Review the evacuation route (see specific Building Emergency Plan).
- TAMU-CC employs the Code Blue Emergency Notification System, an alert system which connects the campus community during emergency situations.
 - The notifications include emails, text and pre-recorded messages, as appropriate.
 - Code Blue emergencies may include severe weather warnings, threats, school closures, delays, evacuations and other incidents which disrupt regular campus activities.
 - Students can update personal contact information anytime at <https://emergency.tamucc.edu/contactform/>
- Shelter in Place via Code Blue.
 - "Shelter-in-place" means to take immediate shelter where you are and may be implemented for severe weather, hazardous material spills, active shooters or other dangerous situations.
 - If there is a shelter in place for a **tornado warning**, our preferred location is the bottom floor of this building, away from windows and doors.
- Active Threat Protocol. There are three things you could do that make a difference if there is an active threat: Run, Hide, and/or Fight. For more information about the Run, Hide, Fight protocol, including what to do when law enforcement arrives, visit <http://safety.tamucc.edu/ems/activethreat.html>

For the *Quick Campus Guide to Campus Emergencies* (including a list of Areas of Rescue Assistance and additional protocols on assisting persons with physical disabilities, hurricanes, bomb threats, animal bites, crime reporting, elevator



entrapment, etc.), visit <https://safety.tamucc.edu/uploads/Site/finalbooklet.pdf>

SUMMARY OF
TOPICAL COVERAGE

Topic 1 : Introduction to Financial Management	2.0
Topic 2 : Financial Statements, Taxes, and Cash Flow	3.5
Topic 3 : Working with Financial Statements	3.5
Topic 4 : Introduction to Valuation: The Time Value of Money	3.0
Topic 5 : Discounted Cash Flow Valuation	5.0
Topic 6 : Interest Rates and Bond Valuation	4.5
Topic 7 : Equity Markets and Stock Valuation	4.5
Topic 8 : Net Present Value and Other Investment Criteria	3.5
Topic 9 : Making Capital Investment Decisions	4.0
Topic 10: Some Lessons from Capital Market History	2.5
Topic 11: Risk and Return	5.5
Topic 12: Cost of Capital	<u>3.5</u>
Total	45.0



CLASS SCHEDULE

Note: This is a tentative outline and the actual coverage will depend on the pace of progress of the class.

Week	Date	Topics	Readings/Unit #	To Do List
1	January 26 & 28	Syllabus and Introduction	RWJ Chapter 1 Unit #1	SB-1 Homework-1 Register StockTrak
2	February 2 & 4	Financial Statements, Taxes, and Cash Flows	RWJ Chapter 2 Unit #2	SB-2 Homework-2 Quiz-2 StockTrak Trading #1
3	February 9 & 11	Working with Financial Statements	RWJ Chapter 3 Unit #3	SB-3 Homework-3 Quiz-3 StockTrak Trading #2
4	February 16 & 18	Introduction to Valuation: The time value of money Present Value and Future Value Discounted Cash Flow Valuation	RWJ Chapter 4 & 5 Unit #4	SB-4 Homework-4 Quiz-4 StockTrak Trading #3
5	February 23 & 25	Annuity Perpetuity	RWJ Chapter 5 Unit #5	SB-5 Homework-5 Quiz-5 StockTrak Trading #4



6	March 2 & 4	Review Midterm 1		
7	March 9 & 11	Interest Rate and Bond Valuation	RWJ Chapter 6 Unit #6	SB-6 Homework-6 Quiz-6 StockTrak Trading #5
8	March 16 & 18	Stock Valuation	RWJ Chapter 7 Unit #7	SB-7 Homework-7 Quiz-7 StockTrak Trading #6
9	March 23 & 25	Net Present Value and Other Investment Criteria Making Capital Investment Decision	RWJ Chapter 8 & 9 Unit #8	SB-8 Homework-8 Quiz-8 StockTrak Trading #7
10	March 30 & April 1	Some Lessons from Capital Market History	RWJ Chapter 10 Unit #9	SB-9 Homework-9 Quiz-9 StockTrak Trading #8
11	April 6 & 8	Risk and Return – Part I	RWJ Chapter 11 Unit #10	SB-10 Homework-10 Quiz-10 StockTrak Trading #9



12	April 13 & 15	Risk and Return – Part II	RWJ Chapter 11 Unit #11	SB-11 Homework-11 Quiz-11 StockTrak Trading #10
13	April 20 & 22	Cost of Capital – Part I	RWJ Chapter 12 Unit #12	SB-12 Homework-12 Quiz-12 StockTrak Trading #11
14	April 27 & 30	Cost of Capital – Part II	RWJ Chapter 12	StockTrak Trading #12
15	May 4 & 6	Review Final StockTrak Project Report Due		StockTrak Project Report Due
