



FINA-5320:W04 MANAGERIAL FINANCE SUMMER II 2021

**COURSE
INFORMATION:**

Class Meeting Day & Time: TBA

Instructor: H. Zafer Yuksel

Office: OCNR 366

Office Hours: TBA or by appointment on Webex

Office Phone: 361.825.6015

Email: zafer.yuksel@tamucc.edu

Websites used:

- [Blackboard](#)
- [Instructor's personal website](#)
- [Webex](#)
- **Connect** → you need to access the assignments and exams from the links in Blackboard!!

Important Messages:

Course Period: July 5, 2021 – August 20, 2021

Last Day to Register or Add a Class: July 6, 2021

Last Day to Drop a Class: July 26, 2021

**COURSE
DESCRIPTION:**

This course is about the application of finance theory and principles to the analysis of important business problems. Many of the activities of the firm can only be accomplished through the support of the finance function. Other activities have important implications on the cash flow of the firm. All managers need to understand how to use finance tools and concepts to enhance their own decisions and also to see how their activities will be viewed at the firm level. This is the only required finance course in the OMBA, thus we must review foundational concepts and move on to higher level applications quickly. Students would be best prepared by having a solid understanding of accounting and quantitative methods.

COURSE OBJECTIVES:

An expanded study of the theoretical framework of financial analytical principles including contemporary topics. Emphasis on the relevant theory and the application of theory to managerial problems. Applies concepts of corporate finance, accounting principles and quantitative analysis.

Nothing of substance can happen in the firm without capital (money). Firms can't expand, manufacture, sell products on credit, or acquire other businesses without it. Capital is a scarce resource. It is obtained from the capital markets, namely stock and debt investors. If a firm doesn't take care of its money, it will soon find out that it is cut off from acquiring more. Thus, firms must carefully manage their use of capital. This involves:

- Measuring the risks of how it is to be used
- Making decisions that will increase the firm's value
- Interacting with the capital markets
- Assessing the potential return of firm investments
- Allocating capital to the most worthy projects
- Deciding where to acquire capital while understanding the ramifications
- Deciding on the payout policy: dividends versus reinvestment of profits

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.

LEARNING GOALS:

1. Know the role and function of the financial sector participants including banks, investment banks, mutual funds, securities markets and corporations
2. Understand the function of management and role of corporate governance in firm success
3. Be able to analyze key financial statements
4. Use information contained in financial statements to evaluate firm performance and develop financial forecasts.
5. Derive the free cash flow generated by a project or business, and consider the implications of inaccuracies in forecasts.
6. Understand interest rates and monetary policy including the term structure of interest rates and resulting yield curve
7. Be able to perform security valuation using important valuation models and deriving the appropriate discount rates.
8. Understand time value of money concepts, WACC, and capital budgeting techniques.
9. Identify and apply appropriate decision criteria to determine whether real assets should be acquired or sold.
10. Estimate an appropriate risk-adjusted required rate of return for evaluating investments in real assets.
11. Understand how capital structure and payout policies affect firm value and growth.



LIVE, SYNCHRONOUS
WEB CONFERENCING
SESSIONS

I will conduct a weekly web conferencing session. Please refer to the Course Schedule for the specific dates and times when each of these webinars will be held.

These sessions provide an excellent opportunity for you to ask questions, get more details about specific topics or assignments, as well as give you a chance to interact directly with your instructor and fellow class members. Although attendance is not required, it is strongly recommended that you participate in each webinar. Sessions will be recorded so that you can access them at a later time, if needed.

During this session, I will provide feedback on material covered and assessed in the previous week, and an overview of upcoming material. In addition to this weekly session, I will broadcast announcements on the "Course Announcements" discussion forum, and provide additional insights and clarification on course materials and discussions through participation in section-specific discussions.

The web conferencing tool, WebEx, is accessible from the "Course Tools" link.

TIME COMMITMENT

This is a graduate level Finance course. Many topics in Finance are far more challenging than other business topics. This course will require significant more time and effort than most other graduate level business courses. Please plan your time and effort accordingly. This course is delivered during a short 7-week window. It is imperative that you keep up with the pace of the course because tools and theories learned early on are quickly built upon and utilized throughout the rest of the course. All students are encouraged to ask questions and share insights.

For a classroom based course a student would expect to spend 45 contact hours in the classroom plus 90 additional hours of outside preparation and study. This same metric should apply for online courses. A student should spend a minimum of 135 hours of time to successfully complete this course.

You are also expected to behave professionally online. Please be polite, courteous, and respectful towards your peers, and your professor, even if you do not agree with them.



CLASS MATERIALS	The textbook is by Ross, Westerfield, and Jaffe, Corporate Finance, 12th edition, McGraw- Hill/Irwin, 2019. With CONNECT.
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MINIMUM REQUIREMENTS	<ul style="list-style-type: none">• Homework Management System CONNECT (comes with e-Textbook). We will be using the Connect management system, which combines access to homework, practice, and tests with an e-book.• Financial calculator – the cheapest and most recommended is the HP 10bii or Texas Instruments BA II Plus
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REQUIRED SOFTWARE	Microsoft Internet Explorer (11.0) or Firefox, Adobe Acrobat Reader (11.0 or higher), Microsoft Office 2016. Please also visit TAMU-CC student laptop recommendation that meets the needs of your program of study.
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COURSE REQUIREMENTS	<p>HOMEWORK AND QUIZES:</p> <ul style="list-style-type: none">• Over the course of the semester, each student will complete homework assignments and quizzes.• In BB9 (Blackboard) each unit folder contains a link to its corresponding homework assignments and quizzes.• All homework assignments and quizzes must be completed by their due date. They are open notes, open books.• There are 10 Homework assignments and 10 Quizzes, each worth 1% of the overall grade.• 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 - 45 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 5 extra points (on a 100-point scale) to the student's final grade. Their extra credit points will be calculated as the average percentage score on all units (i.e., the average score is 90%, then 4.5 point will be added your final grade).
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MIDTERM EXAMS:

- There will be two midterm exams each worth 20% of the overall grade. Exams will be administrated online through Blackboard or Connect.
- 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.

MINI-CASES:

- There will be two mini-case assignments. First case will be *preferably* an individual case (a 1-member group), and the Second case will be done in small groups of 4-5 students.
- The purpose of these assignments is for you to utilize tools learned across multiple topics and apply them in a business problem setting. These assignments are to be submitted to the drop box located in your section's folder, under "Assignment Submission" in this Blackboard, in MSWord or PDF file format, with supporting Exhibits in Excel. Only one member need submit the assignment on behalf of the group. Be sure to include all group member's names on the first page of your document.
- Groups reserve the right to drop students from the group. The goal of this is to encourage every member to participate/work his/her fair share. If a student is dropped from a group, he/she will continue for the rest of the course completing the remaining mini-cases on his/her own (a 1-member group).

DISCUSSION BOARD:

- There are three discussion assignments, each worth 3.33% of the overall grade each. For the first, you will post a brief introduction of yourself and comment on two other introductions. For the other two assignments, you will post a primary discussion of your analysis and thoughts about the problem posed and at least two replies to other students' posts. This will occur in the relevant forum, located in your section's folder under "Discussion Board."



COURSE POLICIES

Attendance/Tardiness: No late work will be accepted. Because of the short 7-week duration of this course, you are strongly encouraged to arrange your schedule to facilitate timely completion of all assignments. Though this is an online course, one is expected to attend (log in) at regular intervals to complete assignments and participate in other class activities.

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.

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. CHECK THE REGISTRAR OFFICE WEBSITE FOR THE LAST DAY TO DROP THE CLASS. 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.

Student 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.
 - 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>



GRADING:

The final grade is a weighted average of scores. It is not based on TOTAL points

Course Work	Percentage of Total Grade
Homework Assignments (10 × 1%)	10%
Quizzes (10 × 1%)	10%
Mini Cases (2× 15%)	30%
Exams (2× 20%)	40%
Discussion Board (3× 3.33%)	10%
TOTAL	100%

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%.



TENTATIVE CLASS SCHEDULE

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

Week	Dates	Unit	Chapter	Assignments	Due Date (by 11:55 pm Central)
1	7/5-7/9	Introduction to Corporate Finance Unit 1: Financial Statements and Cash Flows Unit 2: Financial Statement Analysis Unit 3: Time Value of Money	Chapter 2 Chapter 3 Chapter 4.1, 4.2, and 4.3	Discussion #1: Introduce Yourself Activity Homework #1 Quiz #1 Homework #2 Quiz #2	7/9
2	7/12-7/16	Unit 3: Annuity and Perpetuity Unit 4: NPV and Other Decision Rules	Chapter 4.4 & 4.5 Chapter 5	Homework #3 Quiz #3 Homework #4 Quiz #4	7/16
3	7/19-7/23	Unit 5: Making Capital Investment Decisions	Chapter 6	Homework #5 Quiz #5 Discussion #2: Making Capital Investment Decisions	7/23
				Mini Case#1	7/30
4	7/26-7/30	Unit 6: Bond Valuation Unit 7: Stock Valuation	Chapter 8 Chapter 9	Homework #6 Quiz #6 Homework #7 Quiz #7	7/30
Exam 1			Ch 1-6, 8, & 9		7/28-7/30



5	8/2-8/6	Unit 8: Lessons from Market History Unit 9: Risk and Return	Chapter 10 Chapter 11	Homework #8 Quiz #8	8/6
6	8/9-8/13	Unit 10: Cost of Capital Unit 11: Efficient Market Hypothesis (Self-Read)	Chapter 13 Chapter 14	Homework #9 Quiz #9	8/13
				Discussion #3: Efficient Market Hypothesis	
				Mini Case#2	8/20
7	8/16-8/20	Unit 12: Capital Structure Unit 13: Dividends and Other Payouts	Chapter 16 & 17 Chapter 19	Homework #10 Quiz #10	8/20
Exam 2 Ch 10, 11, 13, 14, 16, 17, 19					8/19-8/24