**Instructor**: Dr. Zafer Yuksel

**Office**: M-5-257

**Office Hours**: W 12:00-5:00PM

**Class Meeting Day & Time**: W 5:30-8:15 PM

**Office Phone**: 617-287-7671

**E-mail**: zafer.yuksel@umb.edu

**Class Location: W01-0055**

**Course Description and Objectives:**

Introduces financial management (both short term and long term), specifically what an organization invests in, and how the necessary funds are best raised; the course also acquaints students with various kinds of securities and the operation of financial markets and institutions. Specific topics include ratio analysis, working capital management, financial markets and institutions, the time value of money and capital budgeting, the cost of capital, financial leverage and capital structure, and dividend policy.

This course is an introduction to financial management for undergraduates working toward a degree in business with or without a concentration in finance. Theoretical concepts will be introduced and emphasized with examples of practical applications.

The goal of the course is to provide:

* an understanding of fundamental concepts of finance;
* a basis for understanding the decision-making process of the financial manager;
* a firm foundation for the application of mathematics to financial problems.

**Prerequisites:** AF211. It is expected that students are familiar with the basic concepts of financial accounting and the components of the major accounting statements.

**Course Materials:**

**Textbook:**

Ross, Westerfield Jordan. “Introduction to Financial Management” McGraw Hill

There is a custom book in the bookstore which costs $150 and includes selected chapters and access to Connect and the full textbook and Smartbook. We will not use Connect in this class, but there are other tools available that can support your learning. Alternatively, if you are inclined to read the text but do not feel the need for the learning support, you can purchase any edition. You can sometimes find old editions for $20 or less.

**Class Materials and PowerPoint Slides:**

You can access all class materials at [www.zaferyuksel.com](http://www.zaferyuksel.com)

**Calculator:**

A calculator that does **two variable statistic** (that is ) is needed for homework and exams. If you do not have one, I recommend the Texas Instrument BAII Plus or HP 10BII business calculators. They do everything you need to able to do, are user friendly, and are relatively inexpensive. They are the models of calculator that are authorized for use during CFA exam.

**Problem Sets:**

Over the course of the semester, each student will complete 10 problem sets assigned via *Connect*. The custom textbook contains *Connect* registration code to access problem sets. Please follow the link to register *Connect* for the problem sets: (*LINK WILL BE SENT TO YOU VIA EMAIL*)

The 10 problem sets will be released as the class progresses. You are allowed three attempts to complete each problem set before deadline and your best grade will be recorded. Problem sets that are not submitted on time will get a mark of zero, without exception. Be sure to make note of due dates. *The average grade of 8 problem sets with the highest grade will account for the final grade - 2 problem sets with the lowest grades will not affect your final grade.*

**Projects:**

There will be one or two individual projects for this classes. These projects’ objective is to apply the finance discussed in class to a personal financial management problem, and to students’ critical ability; to actively conceptualize, apply, analyze, and evaluate information and to make informed decision: Mortgage loan and Project/Stock Valuation. They require the use of Excel spreadsheet.

* The projects description will be provided to you. Students are required to submit a report for each project according to the description. The reports must be one- or two-page well-typed and proof-read Word document (12 font size, double spacing).
* For any numbers in the report, you must indicate how you compute in a supporting Excel document. This Excel document is required to be submitted with your report.
* These projects are individual projects.
* Each student submits electronically before deadline one copy of the report and Excel document (via email titled AF 301 Project). **Note:** *Late reports will be penalized by 15%.*

**Exams:**

All three exams are closed-book, in-class, and **not** accumulative. You should bring a scientific or financial calculator. I will provide you one sheet of the formulas for exams. No additional material or technology, like cell phones, computers, tablet, and translators are permitted. Examinations test individual performance and are based on the course text and classroom materials.

**You must bring your calculator to exams.** I do not provide calculators and you are not allowed to borrow from your classmates under any circumstances. You **must** also bring your student ID to exams.Without exception, you **must** take the exam at the section in which you are registered. I do not allow students to take the exam early or late.

**NOmake-up exams**will be offeredexcept as required by the University policy. For example, no make-up is permitted for reasons such as being late for the class, leaving class early, forgetting the exam date/time, car broken, traffic jams, work/travel related excuses, and conflicts with other classes/exams.

A student is allowed to miss one exam in the case of **an unanticipated excuse**, such as serious illness or injury, or a significant personal or professional commitment. And the students must provide documentation to corroborate why they are unable to take the exam. You **CANNOT** miss more than one exam. In order to be excused from an examination, you **MUST** contact me **before the exam or right after the emergent event. Excuses are deemed valid by me.**If you have **a valid excuse** for missing one of three exams, your final grade will be based on the grades of the other two exams equally.

**Attendance:**

The University expects students to attend all regularly schedule class meetings because attendance and participation in class (including online courses) are fundamental parts of the learning process and key factors in academic success. Absences for any reasons should be discussed with the instructor as soon as possible, preferably in advance. Certain absences, such as those due to medical issues, may be excused provided appropriate notice and documentation are provided. For details, see: <https://www.umb.edu/registrar/academic_policies/class_attendance>.

**Computer and Cell Phone Policy:**

Unauthorized use of electronic devices during class is disruptive and disrespectful. Please follow these guidelines.

1. Cell phones must be silenced and put away during the class
2. If you have children or another situation which requires that you be accessible by phone during class time, please let me know. In this case, you may put your phone on vibrate and check your messages.
3. You should bring your calculator to every class, but if you occasionally forget it, I will permit to use your phone for calculations during class time. However, you must use it for calculations only and I may ask you to put your phone away at any time if I find that it is too distracting.
4. If you would like to use a tablet or laptop to take notes, you may do so as long as you remain on task. I may ask you to put away your device at any time if I find that it is too distracting.

**Student Behavior/Academic Honesty:**

As a student taking coursework in this College, you have an obligation to maintain the highest standards of ethical conduct. You are expected to follow regulations and procedures regarding Academic Standards, Cheating, Plagiarism, and the Documentation of Written Work (http://www.umb.edu/administration/student\_affairs/dean/judicial/csc.html).  Students caught cheating or plagiarizing will, at the discretion of the instructor, flunk either the assignment in question or the course and will have a description of the incident attached to his or her academic records.

The reason for requiring the highest standards of ethical conduct is to ensure fairness, honesty and integrity in the evaluation of student performance. Evaluation of student performance should not be invalidated by students intending or attempting to misrepresent the skill, achievement or ability of either themselves or others.

**Disabilities:**

If you have a disability and feel you will need accommodations in order to complete course requirements, please contact the Ross Center for Disability Services (M-1-401) at (617) 287-7430. For more information see: <http://www.rosscenter.umb.edu/>

**Other Useful Resources:**

For the CM writing Tutors please see: <http://blogs.umb.edu/upo/cm-staff-pages/cm-tutoring-center/>

For Reading, Writing, and Study Strategies Center, which is open to all students on campus please see:

<https://www.umb.edu/academics/vpass/academic_support/tutoring/rwssc>

All of the MAP events including sessions related to communication/speaking topics are listed on SAGroups. Please see: <https://umb.collegiatelink.net/>

**Course Grading**

|  |  |
| --- | --- |
| Problem Sets | 20% |
| Project (1 or 2) | 15% |
| Participation | 5% |
| Exam #1 | 20% |
| Exam #2 | 20% |
| Exam #3 | 20% |

**Grading Policy**

A: At least 94 percent of the possible points in the class

A-: 90 to 93 percent of the possible points in the class

B+: 87 to 89 percent of the possible points in the class

B: 83 to 86 percent of the possible points in the class

B-: 80 to 82 percent of the possible points in the class

C+: 77 to 79 percent of the possible points in the class

C: 73 to 76 percent of the possible points in the class

C-: 70 to 72 percent of the possible points in the class

D+: 67 to 69 percent of the possible points in the class

D: 63 to 66 percent of the possible points in the class

D-: 60 to 62 percent of the possible points in the class

F: Fewer than 60 percent of the possible points in the class

**Class Schedule:**

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| --- | --- | --- | --- |
| **L#** | **Date** | **Topics** | **Reading** |
| **1** | January 25 | Syllabus  Introduction  Future Value | RWJ: Chapter 4 |
| **2** | February 1 | Present Value  More on Future and Present Value | RWJ: Chapter 4, 5 |
| **3** | February 8 | Annuity | RWJ: Chapter 5 |
| **4** | February 15 | Perpetuity  Loan | RWJ: Chapter 6 |
| **5** | February 22 | Exam #1 |  |
| **6** | March 1 | Bond Valuation | RWJ: Chapter 6 |
| **7** | March 8 | Bond Valuation  Bond Features and Market | RWJ: Chapter 6 |
| **8** | March 22 | Stock Valuation | RWJ: Chapter 7 |
| **9** | March 29 | Stock Valuation  Stock Features and Market | RWJ: Chapter 7 |
| **10** | April 5 | Exam #2 |  |
| **11** | April 12 | Return and Capital Market | RWJ: Chapter 10 |
| **12** | April 19 | Return and Risk | RWJ: Chapter 11 |
| **13** | April 26 | Return and Risk | RWJ: Chapter 11 |
| **14** | May 3 | Return and Risk | RWJ: Chapter 11 |
| **15** | May 10 | Review for Final |  |