FINC 3511- CORPORATE FINANCE
Expanded Course Outline
SPRING, 2006
Section 04 – Wednesday – 7:00 – 9:30pm

Professor: Charles Hodges  Web-page: http://www.westga.edu/~chodges/
Phone: 678-839-4816  Email: chodges@westga.edu
Office: Room 18 - RCOB
Office Hrs: M & W: 10:30-11:30 am; 1:00-2:00 pm; 5:00-7:00; Th: 5:00-8:00 pm;
(I am in my office most days. Feel free to “drop-in.”)

I.   Catalog Description

Financial functions in the modern corporation with emphasis on its managerial aspects.

II.  Required Background or Experience

A.  Prerequisite: ACCT 2102 and BUSA 2106

B.  Prerequisite Justification: Knowledge of basic accounting techniques, financial statements, and basic legal concepts is essential for the usage of accounting information to serve the needs of finance.

C.  General Education (Core) Contribution: The course uses the writing skills developed in English courses, oral skills developed in speech courses, mathematical methods and critical thinking acquired in mathematics courses.

III.  Expected Outcomes: (www.westga.edu/~accfin/outcomes.htm)

A.  Communicate effectively in writing - LG1 (Learning Goal 1); ER1 (Expected Result 1)

B.  Apply basic quantitative skills to business problems – LG2; ER2.

C.  Use computer resources to research and analyze business problems – LG3; ER2, ER8.

D.  Develop the ability to read financial statements and use financial information, apply time value of money concepts and formulas, appropriately apply capital budgeting techniques, value securities, and make informed financial decisions – LG4, LG7; LG8; ER8

E.  Have an understanding of legal and ethical considerations that affect financial decision-making in corporations – LG5; ER4.
IV. **Text and References**


B. FINC 3511 Spring 2006 Lecture Supplement, Ron Best (UWG Bookstore), REQUIRED.

V. **Special or Unique Student Material:**

A financial calculator with a "cash flow" button is necessary. The calculator must compute net present value (NPV) and internal rate of return (IRR). (Examples: Hewlett Packard 10B; Texas Instruments BA II PLUS; Sharp EL-733A; Texas Instruments TI-83)

VI. **Special or Unique University Facilities:**

Access to Internet connected computer and library reference resources for term project.

VII. **Expanded Description of the Course and Instructional Method:**

A. **Expanded Description of the Course:** The course provides a conceptual framework of financial management at the introductory level. It is taught from the viewpoint of a corporate financial manager trying to maximize stockholder wealth. Topics include financial statement analysis, markets and institutions, risk and rates of return, time value of money, bond and stock valuation, cost of capital, capital budgeting, capital structure and leverage, dividend policy, and international finance. Upon successful completion of this course, you should understand: the structure of financial markets; how financial statements are used to analyze a company’s financial strength; the relationship of risk and return; how financial risk is measured; how to calculate and interpret present and future values; basic bond and stock valuation; how to determine a firm’s cost of capital; how corporations select projects; the determinants of capital structure choice; and, factors which affect dividend policy.

B. **Instructional Methods:**

a. **Lecture and Problem Solving:** Topics in financial management are discussed in lectures presented by the instructor. During lectures, students contribute through their comments and their evaluation of analytical problems.

b. **Internet Materials:** Various materials are available on the instructor’s home page and the WebCT course site that supplement in-class presentations.

c. **Outside Assignments:** Students are required to complete a basic financial analysis of an individual corporation and a consumer financial decision project. The projects are intended to introduce students to various sources
of financial data. A substantial portion of the data must be collected using the Internet and COMPUSTAT database.

VIII. Methods of Evaluating the Outcomes:

A. Evaluation tools: Your overall grade is based on two in-class exams, your total score on twelve short quizzes after dropping the lowest two quiz grades, and a two-part project. Weights are shown below. All quizzes will be taken online (WebCT). The midterm and final exams will be taken in class. (See Scheduled Exams policy.)

<table>
<thead>
<tr>
<th>GRADING WEIGHTS</th>
<th>GRADING SCALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm exam</td>
<td>40%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>40%</td>
</tr>
<tr>
<td>Quiz Average</td>
<td>10%</td>
</tr>
<tr>
<td>Project Part One</td>
<td>5%</td>
</tr>
<tr>
<td>Project Part Two</td>
<td>5%</td>
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</tbody>
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I reserve the right to “curve” grades.

B. Administrative Policies

a. Information regarding test scores will not be given over the telephone. If you are absent when exams are returned, you must contact me in person or access WebCT to receive your grade.

b. Requests for exam score adjustments must be made in writing within ONE WEEK of the test’s return. Only WRITTEN requests will be considered.

c. Attendance Policy:

i. Regular Class Meetings: Attendance will be taken using a seating chart and signup sheet (this helps me learn your name). It is your responsibility to sign the roll.

ii. Rounding Points: You start the semester with two Rounding Points. If you do not lose the points, they will be added to your overall average grade at the end of the semester. Each unexcused absence results in the loss of one rounding point.

iii. Scheduled Exams: No makeup quizzes will be given. If you miss a quiz you will receive a grade of zero on that quiz. Your two lowest quiz grades will be dropped before the quiz average is calculated. No makeup exams will be given. If the absence is excused, you will take a comprehensive final exam whose weight will be increased to include the weight of the missed exam. If the absence is not excused, you will receive a zero for that exam. You are encouraged to notify me in advance if you know you will be unable to take an exam at the scheduled time. In any event, you must notify me within two class days of the missed exam, or the absence will not be excused.
iv. **General:** You are responsible for knowledge of any administrative announcements (test information, schedule changes, etc.) that are made at any time during scheduled class periods regardless of whether you are in attendance. It is recommended that you make a reciprocal agreement with a classmate to share missed notes and other class information.

d. **Code of Conduct:** Honesty and integrity are necessary to the academic and professional functions of business. Dishonesty undermines the foundation of the academic environment. Improper academic conduct shall be interpreted to mean the obtaining and using of information during an examination by means other than those permitted by the instructor, including supplying such information to other students. All forms of academic dishonesty, including cheating, plagiarism, and falsification of academic records are subject to disciplinary action.

C. **Learning Domains:**
   a. **Cognitive:** Knowledge, Comprehension, Analysis, Synthesis, Evaluation.
   
b. **Affective:** Receiving, Responding, Valuing, Organization, Characterization.

**IX. TENTATIVE SCHEDULE FOR MONDAY AND WEDNESDAY (SECTION 3)**

This schedule could require modification.

| Jan | 11 | Chapter 1 – Overview of Financial Management and Chapter 4 – The Financial Environment |
| 18  |    | Chapter 2 – Financial Statements, Cash Flow, and Taxes |
| 20  |    | **Quiz 1 – Chapters 1, 2, and 4** |
| 25  |    | Chapter 3 – Analysis of Financial Statements |
| 27  |    | **Quiz 2 – Chapter 3 (Concepts)** |
| Feb | 1  | Chapter 3 – Analysis of Financial Statements and Chapter 15 – Financial Planning and Forecasting |
| 3   |    | **Quiz 3 – Chapters 3 and 15** |
| 8   |    | Chapter 5 – Risk and Rates of Return |
| 10  |    | **Quiz 4 – Chapter 5** |
| 15  |    | Chapter 6 – Time Value of Money – **Project Part One Due at Beginning of Class** |
| 17  |    | **Quiz 5 – Chapter 6** |
| 22  |    | Chapter 6 – Time Value of Money |
| 24  |    | **Quiz 6 – Chapter 6** |
Mar 1  Midterm Exam – *(Midterm covers Chapters 1, 2, 3, 4, 5, 6, and 15) and Exam Review

(NOTE: Last Day to Withdraw with Grade of W is March 2, 2006)

8  Chapter 7 – Bonds and Their Valuation
10  *Quiz 7 – Chapter 7*

15  Chapter 8 – Stocks and Their Valuation
17  *Quiz 8 – Chapter 8*

20-24  **Spring Break**

29  Chapter 9 – The Cost of Capital
31  *Quiz 9 – Chapter 9*

Apr 5  Chapter 9 – The Cost of Capital
7    *Quiz 10 – Chapter 9*

12  Chapter 10 – The Basics of Capital Budgeting
14  *Quiz 11 – Chapter 10*

19  Chapter 11 – Cash Flow Estimation and Risk Analysis
21  *Quiz 12 – Chapter 11*

26  Chapter 12 – Capital Structure and Leverage and Chapter 13 – Distributions to Shareholders– **Project Part Two Due at Beginning of Class**
28  *Sample Final Exam*

**FINAL EXAM**
*Section 04 – 7:00 pm Class – Wednesday, May 3, 2006 – 8:00 – 10:00 pm*

**NOTE 1:** This course covers the following AACSB perspectives: influence of legal and regulatory issues; ethical issues; written and oral communication; and social issues

**NOTE 2:** This course covers the following teaching objectives: developing oral communication skills; developing analytical/critical thinking; and encouraging social responsibility.