

FINC 6532-FINANCE
Expanded Course Outline
Newnan, Tuesdays 6:00-10:45 PM
Spring 2012

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The policy of the University of West Georgia is that each student is responsible for checking his/her my.westga.edu email account on a regular basis.

I. Catalog Description:

A study of the major financial tools and techniques through problem solving and case studies.

II. Required Background or Experience:

A. Prerequisite: FINC 3511

B. Prerequisite Justification:

Basic knowledge of finance and present is value needed in order to work with security valuation, risk/return trade off, capital budgeting analysis, financial data, security markets, financial instruments, and cost of capital analysis.

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. In addition, the course uses basic accounting knowledge gained in ACCT 2101, 2102, legal knowledge from BUSA 2106, and familiarity with a spreadsheet program.

III. Expected Outcomes and Course Learning Objective

A. Improve communication effectiveness in oral and written presentations--LG 1.

B. Apply quantitative skills to business problems—LG 5.

C. Have an understanding of political, legal, and ethical considerations that affect the economic environment and decision making in corporations--LG 4, 5.

D. Develop the ability to read financial statements and financial information—LG 5.

E. Expand mastery of spreadsheet and word processing skill- LG 5.

F. Understand in detail financial principals, institutions, and management in corporate activities--LG 5.

Specific Course Learning Objective: Students comprehend and apply accounting information to evaluate financial performance, value financial securities, value the firm, and make value enhancement decisions.

IV. Text and References:

TEXT - Michael Ehrhardt and Eugene Brigham, Corporate Finance: A Focused Approach, 4th edition, South-Western Cengage Learning. Textbook decision made by instructor.

V. Special or Unique Student Material:

A financial calculator with a “cash flow” button is needed. Examples: HP 10B, TI BAII Plus, TI 83 (mildly preferred).

VI. Special or Unique University Facilities:

Access to a personal computer with spreadsheet and word processing programs as provided by the student lab. http://www.westga.edu/~chodges/html/finc_6532.html is the location of the course Webpage. WEBCT Vista (webct.westga.edu) will be used to distribute information and administer quizzes.

VII. Expanded Description of the Course and Instructional Method:

A. Expanded Description of the Course:

The course provides a conceptual framework within which key financial decisions and risks relating to corporations are analyzed. This analysis considers shareholder wealth maximization, the firm’s relationship to its environment, interpretation of accounting data, use of present value analysis and capital budgeting, financial risk management, capital acquisition analysis, capital structure decision, valuation of financial instruments, identification and valuation of real and financial options.

B. Instructional Methods:

1. Lecture and Problem Solving:

Topics are discussed via lectures, problem solving, and student generated topics. During lectures, students contribute through their comments and their evaluation of analytical problems. Classes will typically be devoted to analytical problem solving and student generated discussions, while conceptual lectures will be delivered via streaming video. Students may view the conceptual lectures in either a group or individual setting.

2. Group Research Project:

Each group is responsible for conducting a financial research project. The research project develops a model to predict some critical financial variable. The written paper should be structured in a manner similar to academic journal articles. The grade for the project will be a combination of group grade (assigned by instructor) and peer grade (assigned by fellow group members). The project description is attached to the syllabus.

3. Quizzes:

WebCT based quizzes are used as a substitute for homework questions and problems. A quiz is created for each chapter covered in the course. These quizzes are diagnostic in nature, in that their purpose is to allow students to determine areas needing further study. As multiple attempts are allowed on each quiz, and only the highest grade for each quiz is used in calculating quiz grades, it is anticipated that most students will average close to 100 on the quizzes.

VIII. Methods of Evaluating the Outcomes:

A. Evaluation Tools:

Group Research Project	20%
Quizzes	30%
Midterm exam	20%
Final Exam	30%

There is no extra credit in this course. Work submitted for credit in other courses will not be accepted for credit in this course.

B. Learning Domains:

1. Cognitive: Knowledge, Comprehension, Analysis, Synthesis, and Evaluation.
2. Affective: Receiving, Responding, Valuing, Organization, and Characterization.

IX. Tentative Schedule

Week:	Chapter(s)	Topic
January 10	Syllabus	Course Introduction
	Chapter 1	Overview of Financial Management
	Chapter 2	Review of Financial Statements
January 17	Chapter 3	Financial Analysis and Financial Planning
	Chapter 4	Time Value of Money Intro, Bring Financial Calculator
January 24	Chapter 4	More Time Value of Money
	Chapter 5	Bonds, Bond Valuation, and Interest Rates
	Chapter 6	Risk, Return, and the Capital Asset Pricing Model
January 31	Exam 1 over chapters 1, 2, 3, 4, 5, and 6 (120 minutes), Exam 1 Review	
	Chapter 7	Stocks, Stock Valuation, and Stock Market Equilibrium
February 7	Chapter 8	Financial Options, and Applications in Corporate Finance
	Chapter 9	Cost of Capital
February 14	Chapter 10	Capital Budgeting Basics
	Chapter 11	Capital Budgeting Cash Flows and Risk Analysis
February 21	Chapter 14	Dividends
	Chapter 15	Capital Structure
		Exam Preparation, Group Project Due

Final Exam: February 28, Tuesday, 6:00-8:55 PM

NOTE 1: The last day to withdraw with a grade of W is March 1, 2011.

NOTE 2: This course covers the following AACSB perspectives:

- Influence of legal and regulatory issues
- Written communication
- Social issues
- Ethical issues

NOTE 3: This course covers the following teaching objectives:

- developing written communication skills
- develops analytical/critical thinking
- encourages social responsibility

Applied Group Project- FINC 6532

The purpose of the project is to provide opportunities for students to learn how to analyze corporate finance issues in a team setting. In this project, your team will complete a statistical exploration that explains some aspect of corporate accounting or valuation. Suggested areas would include trying to find factors that will predict a company's (choose one area only) market capitalization, profitability, price/earnings ratio, dividends, or capital structure. Being a team player is an important part of contributing to a productive work environment. A team consists of about five students. Teams will be assigned by the instructor.

DATE DUE: The project is due February 21, 2011 at the beginning of class. The semester project grade will be reduced by 50 percent if submitted after this time but before the 5 pm on February 24. The project will not be accepted after 5 pm on February 24, and the group will be assigned a grade of 0. Grades on this project will be based on the following criteria:

	Poor	Fair	Good	Excellent	Team Score
Analysis	20	27	33	40	_____
Statistical Summary	14	16	21	25	_____
Spreadsheets, Graphs and Tables	14	16	18	20	_____
Appearance (Organization) of the Report	9	11	13	15	_____
TOTAL POINTS					_____

A forced separation will be used on each component of the grade with 1/3 receiving fair, 1/3 receiving good, and 1/3 excellent. If poor quality work is submitted/observed, then the poor scores will be lumped with the 1/3 receiving fair.

To accomplish this research, I will give your group a data set containing about 75 variables for about 2000 companies. In your research, you are to review the finance and popular press literature to find support for your theory of corporate behavior (probably using Google Scholar, ABI/Inform and Lexus/Nexus). You will then reduce the data set to a set of independent variables that will be used to predict your dependent variable.

The format of your paper must follow a format of Introduction, Literature Review, Hypothesis, Statistical Analysis, and Conclusion. In your statistical analysis, you will perform correlation tests, t-tests of variables sorted by your dependent variable, and multiple regressions where you try to predict your dependent variable using independent variables. For your correlation analysis, I expect correlations reported for 15-25 variables. In the t-tests, I expect analysis of between 5-15 variables (selected from the previous correlation analysis). I also expect a Descriptive Statistics for this subset of variables. In the multiple regression, I expect you to use 4-7 independent variables (selected from your t-test and correlation analysis and this may vary by team) to explain your dependant variable. Your team grade will be reduced if you present more data (25 correlations and 15 t-tests) than the maximums listed above.

As to the length of the paper, I do not want the text to exceed fifteen single spaced pages (you are allowed to double space), the reference list to exceed two single spaced pages, the number of pages for tables to exceed six pages, and the pages of charts and graphs to exceed ten pages. Grades may be reduced if length guidelines are exceeded. Ultimately, I want a professional report that states, "If one wanted to predict the value of _____ for a company, one should use _____, _____, and _____. The equation used to predict _____ is _____. This equation explains _____% of the variation in _____."