Course Description/Overview

Course Description

This course discusses corporate financial management decision-making techniques emphasized in areas of planning the financial structure, management of assets, capital budgeting, obtaining capital, and management of income.

Prerequisite Knowledge

Prerequisites: Finance 3361

Course Technology

This is an online course. Use of blackboard is required. It is essential that students familiarize themselves with the use of blackboard.

Students must have access to a reliable computer that connects to the Internet. The course materials are only accessible online by logging in to http://blackboard.angelo.edu. In addition to a competent level of computer and Internet literacy and capability, certain minimum technical requirements must be met to enable a successful learning experience in blackboard. Please review the important technical requirements and Web browser configuration information on the blackboard home page. Blackboard support may be contacted by calling (325) 486-6263 or by email at elearning@angelo.edu.
**Class Meeting Times**

This is an 8-week online course.

**Technical Support**

The Technology Service Center (TSC) may be contacted by calling (325) 942-2911 or 1-866-942-2911 or by email at helpdesk@angelo.edu.

**Faculty/Instructor Information**

Name: Biqing Huang, Ph.D.
Title: Associate Professor of Finance
Office: RAS 249
Phone: (325) 486-6447
E-Mail: biqing.huang@angelo.edu

You are welcome to send emails to or call the instructor (or leave a voice mail) if you have any questions.
Course Objectives

Course Description: The course is designed to develop the financial management concepts, describe the corporations and their operating environment. The students will learn to understand how corporations make decisions about investments and financing, and how they can make the policies of working capital. The students will gain an understanding of the responsibilities of the financial manager, and the critical relationship between the firm and the financial markets.

Student Learning Goals:

Upon the completion of this course, students will be able to:

1. Students will score at or above the national median on the graduate MFT Test. This is assessed through MFT test.
2. Students will demonstrate the ability to develop, interpret and apply research findings that relate to business and economic problems. This is assessed through take-home assignments and quizzes.
3. Students will demonstrate the ability to apply advanced knowledge skills and values to develop integrative solutions to management problems. This is assessed through exams.
4. Students will be required to demonstrate written communication skills appropriate to business administration. This is assessed through take-home assignments, quizzes, and exams.
5. Students will demonstrate **global perspectives** appropriate to business administration. Please see below for the assessment.

Assessment of Student Learning Goal 5:

Per the dean of the college, you are required to complete two assessments on Student Learning Goals 5 in this course: **Demonstrate knowledge of the global nature of business.**

One is **pre-test**, must be completed no later than June 6th, 2019 by 11:59 pm. “Pre-test” will be posted in **Week 1**.

The other is **pro-test**, must be completed no later than July 12th, 2019 by 11:59 pm. “Pro-test” will be posted in **Week 6**.

Please read blackboard for detailed instructions.
Course Textbook and Required Readings

Required Text:

Title:    Financial Management: Theory & Practice
Edition:  16th Edition
Authors:  Eugene F. Brigham; Michael C. Ehrhardt

No access code is needed.

Recommended Readings:


Other readings are assigned in a timely manner as needed and are provided to you as PDF, MS Word format, or a link to an online resource will be provided.

Required Calculator: Hewlett-Packard 10B-II, or Hewlett-Packard 10B-II Plus

The Hewlett-Packard 10B-II (HP 10B-II), or Hewlett-Packard 10-BII (HP 10B-II Plus) calculator is strongly recommended. All examples shown on lecture notes will use this calculator. If you choose to use another, it is your responsibility to learn to use it.
**Syllabus**

**FIN 6301-DM1**  
Summer I 2019

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**Course Policies:**

1. **Class Participation:**  
   Students are required to log into their course via blackboard on a *weekly basis*. Students are expected to spend six to ten hours per week on this course. Your weekly logging activities will be considered as part of your grade (Class Room Citizenship) as explained later in “Grading Policies”.

2. **Communication with Your Professor, and Fellow Students:**  
   Communications about your course will be in the format of ASU email, announcements on blackboard, and discussion boards. You should check your ASU email and log into blackboard a minimum of once per day. I will make announcements on blackboard when there are any updates of the course (new materials, new HWs, quizzes, exams, office hours cancelled, and etc).

   I check my ASU email very often during Monday through Friday, and respond in 24 hours. I also check emails during weekend or holidays. Email is the preferred way of communication. You may also communicate with me by phone or leave a voicemail.

   You are also expected to actively participate in the course via the Blackboard discussion board. You can find the discussion board in the tab of “Collaboration”). The board allows you to communicate with your fellow students and with me. I encourage you to use the forum to ask questions and to exchange ideas, resources, and comments about your course work with other students in this course. If you have questions about the course or material that are not of a personal nature such as grades, etc., you should post your question on the discussion board. This forum is monitored by your professor. This course does not require synchronous communication.

   **Email manners:**

   Please include subject, titles or name of the person you are writing to, content, and your names. Usually the instructor will respond within a day. The instructor will not respond to emails that are not written in good manners.
Syllabus

3. **Policy on Server Unavailability or Other Technical Difficulties**

Angelo State University is committed to providing a reliable online course delivery system to all users. However, in the event of any unexpected blackboard server outage or any ASU or MyEconLab technical difficulty which prevents students from completing a time sensitive activity, I will extend the due date and provide an appropriate accommodation based on the situation. The accommodations will be made as soon as the ASU IT Department or MyEconLab confirms that there was such a problem. Students should report any problems to the professor through their ASU email account and also email www.elearning@angelo.edu.

Note that this does not apply to individual technical problems that you may encounter on your personal computer. It is the responsibility of the student to work with a reliable computer and Internet connection and plan ahead.

**Policies of student submissions:**

Students will need to submit their HWs, exams and quizzes on Blackboard using the test format. The students will need to hit the “submit” button at the end in order to submit successfully. Detailed instructions for submissions will be provided on blackboard.

**Technical Problems with Exams and Exam Policy:**

Please plan to take your exams and quizzes on a reliable computer. Wireless and dial-up connections tend to cause problems with quizzes and exams. Do not use these. You should take your quizzes and exams with DSL broadband or cable Internet connections. I highly recommend using the MCS microcomputer lab. If an emergency PREVENTS you from taking an exam/quiz, an on-campus paper and pencil make up exam/quiz will be offered. No makeups will be offered for any of your assignments.
# Grading Policies

**Grades:** Grades may consist of exams, assignments, and classroom citizenships. Grades feedback will be provided in the grade center via blackboard within one week after the deadlines. Course grades will be based on a weighted composite of the following (Please be aware that the instructor reserves the right to change the weights of each grading component):

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Homework (20%)</strong></td>
<td></td>
<td>70</td>
</tr>
<tr>
<td>The instructor requires the students to submit HWs during the semester. Each HW is designed to accomplish course learning objectives.</td>
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</tr>
<tr>
<td><strong>Exam I (20%)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>During <strong>week 5</strong>, the students will be required to take this exam. The questions will cover Chapter 1, 2, 3, 4, 5, 6, and 7.</td>
<td></td>
<td>60</td>
</tr>
<tr>
<td><strong>Exam II (20%)</strong></td>
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<td></td>
</tr>
<tr>
<td>During <strong>week 7</strong>, the students will be required to take this exam. The questions will cover Chapter 8, 9, 10, and 14.</td>
<td></td>
<td>60</td>
</tr>
<tr>
<td><strong>Final Exam (30%)</strong></td>
<td></td>
<td></td>
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<tr>
<td>During the <strong>final week</strong>, the students will be required to take this exam. The questions will cover Chapter 15, 17, 18, 19, 20, and 23.</td>
<td></td>
<td>90</td>
</tr>
<tr>
<td><strong>Class Citizenship (10%)</strong></td>
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<tr>
<td>Students are expected to log on to this course at least once a week via the blackboard. Also, at the beginning of the semester the students need to make a brief introduction about themselves.</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>340</td>
</tr>
<tr>
<td><strong>Extra Bonus</strong></td>
<td></td>
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<tr>
<td>The instructor might give out extra bonus points.</td>
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</tbody>
</table>


Syllabus

Your grade will be assigned to the following achievements. The instructor reserves the right to change the cutoffs presented below.

<table>
<thead>
<tr>
<th>Letter Grade</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>90% and above</td>
</tr>
<tr>
<td>B</td>
<td>80% - 89.99%</td>
</tr>
<tr>
<td>C</td>
<td>70% - 79.99%</td>
</tr>
<tr>
<td>F</td>
<td>Below 70%</td>
</tr>
</tbody>
</table>

Final Exam is due by 11:59 p.m. on July 24th, 2019.

This is an online exam. The students are expected to finish the test independently in any locations.

**WEBCAM AND LOCKDOWN BROWSER ARE REQUIRED FOR EXAMS.**
Course Policies

Academic Honesty and Integrity

Angelo State University expects its students to maintain complete honesty and integrity in their academic pursuits. Students are responsible for understanding and complying with the university Academic Honor Code (www.angelo.edu/content/files/17358-university-honor-code) and the ASU Student Handbook(http://www.angelo.edu/content/files/17187-2014-15-student-handbook).

It is the professor’s intention to be as fair and impartial as is humanly possible. Therefore, all students will be asked to adhere to the same set of guidelines and rules UNLESS there are disabilities or documented extenuating circumstances that have been discussed with the professor and the Student Life Office. Please make sure you inform the professor as soon as any situation arises. Do NOT wait until the problem is compounded by poor class performance, poor attendance, etc.

Academic integrity is expected. This includes, but is not limited to, any form of cheating, plagiarism, unauthorized sharing of work, or unauthorized possession of course materials. The professor assumes that all students can be trusted. Please do not violate this trust. Violation of academic integrity will result in a failing grade for the course.

Code of Ethics

Students, faculty, administrators and professional staff of the College of Business should always:

- Be forthright and truthful in dealings with all stakeholders
- Take responsibility for one’s actions and decisions
- Serve as an example of ethical decision-making and behavior to others
- Admit errors when they occur, without trying to conceal them
- Respect the basic dignity of others by treating them as one would wish to be treated

Courtesy and Respect

Courtesy and Respect are essential ingredients to this course. We respect each other's opinions and respect their point of view at all times while in our class sessions. The use of profanity & harassment of any form is strictly prohibited (Zero Tolerance), as are those remarks concerning one's ethnicity, life style, race (ethnicity), religion, etc., violations of these rules will result in immediate dismissal from the course.
Accommodations for Disability

As stated in the Angelo State University Operating Policy and Procedure (OP 10.15 Providing Accommodations for Students with Disabilities), the Student Life Office is the designated campus department charged with the responsibility of reviewing and authorizing requests for reasonable accommodations based on a disability, and it is the student's responsibility to initiate such a request by contacting the Student Life Office at (325) 942-2191 or (325) 942-2126 (TDD/FAX) or by e-mail at Student.Life@angelo.edu to begin the process. The Student Life Office will establish the particular documentation requirements necessary for the various types of disabilities.

Student absence for religious holidays

As stated in the Angelo State University Operating Policy and Procedure (OP 10.19 Student Absence for Observance of Religious Holy Day), a student who intends to observe a religious holy day should make that intention known in writing to the instructor prior to the absence. A student who is absent from classes for the observance of a religious holy day shall be allowed to take an examination or complete an assignment scheduled for that day within a reasonable time after the absence.

Course Drop

To view information about how to drop this course or to calculate important dates relevant to dropping this course, you can visit

http://www.angelo.edu/services/registrars_office/course_drop_provisions.php

Incomplete as a Course grade

As stated in the Angelo State University Operating Policy and Procedure (OP 10.11 Grading Procedures), the grade of “I” is given when the student is unable to complete the course because of illness or personal misfortune. An “I” that is not removed before the end of the next long semester automatically becomes an “F”. A graduate student will be allowed one year to remove a grade of “I” before it automatically becomes an “F”. To graduate from ASU, a student must complete all “I”’s.
Grade Appeal Process

As stated in the Angelo State University Operating Policy and Procedure (OP 10.03 Student Grade Grievances), 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 to first 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 Operating Procedure 10.03 at:

http://www.angelo.edu/content/files/14196-op-1003-grade-grievance.

Course Revision: Any revisions to this syllabus will be announced in class and supercede this syllabus. Students are responsible for being aware of these changes.

FIN 6301 supports the MBA Degree Program Goals.
Tentative Class Schedules

*Please note that except the final, the course and exam schedules listed below represent the best information available at the time of course registration. They are tentative and may change at any time. Adjustments will be made if necessary based on actual progress. I will announce the dates of exams/quizzes/assignments at least one week in advance on blackboard.

**Week 1, June 3 – June 9, Chapter 1, 2, and 3**

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Overview of Financial Management and the Financial Environment</td>
</tr>
<tr>
<td>2</td>
<td>Financial Statements, Cash Flow, and Taxes</td>
</tr>
<tr>
<td>3</td>
<td>Analysis of Financial Statements</td>
</tr>
</tbody>
</table>

**Learning Objectives:**

1. Get to know the background of financial market and environment;
2. Use different financial statements to make analysis on companies.

**Readings:** Notes posted on blackboard, and the corresponding chapters on the textbook.

**Important Event:** Assessments Pre-test is due on June 6th by 11:59PM.

Please read blackboard for detailed instructions.

**Week 2, June 10 - June 16, Chapter 4 and 5**

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Topics</th>
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<tbody>
<tr>
<td>4</td>
<td>Time Value of Money</td>
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</table>

**Learning Objectives:**

Be able to determine value of money through time using the tables, financial calculators, and excel.

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Topics</th>
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<tbody>
<tr>
<td>5</td>
<td>Bonds, Bond Valuation, and Interest Rates</td>
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</tbody>
</table>

**Learning Objectives:**

1. Understand what a bond is, and who issues bonds; the relationship between bond pricing and interest rate;
2. Know the key features of a bond, and how to calculate coupon rate, bond yield, and bond price.

**Readings:** Notes posted on blackboard, and the corresponding chapters on the textbook.

**Important Event:** HW 1 is due on June 16th by 11:59PM.

Please read blackboard for detailed instructions.
Week 3, June 17 – June 23, Chapter 6 and 7

Chapter 6
Topics
Risk and Return

Learning Objectives:
Understand and define different types of risk, risk-return tradeoff; how companies compensate for risk takers; and discuss the use of CAPM to determine asset price.

Readings: Notes posted on blackboard, and the corresponding chapters on the textbook.

Chapter 7
Topics
Corporate Valuation and Stock Valuation

Learning Objectives:
Identify the important rights of a stock owner; know how to determine the value of a common stock and preferred stock, and the effects of changes in the market rate in stock price; explain stock market equilibrium and the conditions that must hold.

Readings: Notes posted on blackboard, and the corresponding chapters on the textbook.

Important Event: HW 2 is due on June 23th by 11:59PM.

Please read blackboard for detailed instructions.
Week 4, June 24 – June 30, Chapter 8 and 9

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Financial Options and Applications in Corporate Finance</td>
</tr>
</tbody>
</table>

Learning Objectives:

Understand the differences between American option and European option, call option and put option. Also describe the differences between options and other derivatives. Understand the binomial approach, and put-call parity to price option.

Readings: Notes posted on blackboard, and the corresponding chapters on the textbook.

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Topics</th>
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</thead>
<tbody>
<tr>
<td>9</td>
<td>The Cost of Capital</td>
</tr>
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</table>

Learning Objectives:

Understand how companies raise capital, capital rationing, and the capital budgeting process. Know how to calculate payback, NPV, IRR, and MIRR for proposed projects. Learn the measurement of risk, and deal with it in capital budgeting.

Readings: Notes posted on blackboard, and the corresponding chapters on the textbook.

Important Event: HW 3 due on June 30th by 11:59PM.

Please read blackboard for detailed instructions.
Syllabus

Week 5, July 1 – July 7, Chapter 10, 14, and 17

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>The Basics of Capital Budgeting: Evaluating Cash Flows</td>
</tr>
</tbody>
</table>

**Learning Objectives:**

Know the relevant cash flows of a project, principals underlie the estimation of cash flows, and the types of cash flows to be considered when evaluating a proposed future project.

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Topics</th>
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</thead>
<tbody>
<tr>
<td>14</td>
<td>Distributions to Shareholders: Dividends and Repurchases</td>
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</tbody>
</table>

**Learning Objectives:**

Know how a company distributes its free cash flows to shareholders, the methods and policies of distributions.

<table>
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<tr>
<th>Chapter</th>
<th>Topics</th>
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<tbody>
<tr>
<td>17</td>
<td>Multinational Financial Management</td>
</tr>
</tbody>
</table>

**Learning Objectives:**

Know what are Multinational Corporation, and the reasons why firms go international. Understand direct and indirect quotations, and how to calculate exchange rates. Explain spot and forward rates, and the relationship between the two. Briefly explain the concepts of interest rate and purchasing power parity.

**Readings:** Notes posted on blackboard, and the corresponding chapters on the textbook.

**Important Event:** Exam I due on July 7th by 11:59PM.

Please read blackboard for detailed instructions.
Week 6, July 8 – July 14, Chapter 15 & 19

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Capital Structure Decisions</td>
</tr>
<tr>
<td>19</td>
<td>Lease Financing</td>
</tr>
</tbody>
</table>

**Learning Objectives:**

**Chapter 15:** Differentiate different capital structure theories, especially the effect of no taxes, the effect of corporate and personal taxes, trade-off, asymmetric information, and pecking order theories. Explain briefly what is target capital structure and optimal capital structure. Define financial leverage and explain its effect on ROE and EPS.

**Chapter 19:** Describe the two primary types of leases, and explain how lease financing affects financial statements and taxes.

**Readings:** Notes posted on blackboard, and the corresponding chapters on the textbook.

*Important Event: Assessments_Pro-test due on July 12th by 11:59PM.*

*Please read blackboard for detailed instructions.*

Week 7, July 15 – July 21, Chapter 18 and 20

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>Public and Private Financing:</td>
</tr>
<tr>
<td></td>
<td>Initial Public Offerings, Investment Banking, and Financial Restructuring</td>
</tr>
</tbody>
</table>

**Learning Objectives:**

Understand Initial Public Offerings (IPOs) and Seasoned Offering. Explain the investment banking and regulation. Know the maturity structure of debt, refunding operations, and the risk structure of debt.

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<thead>
<tr>
<th>Chapter</th>
<th>Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>Hybrid Financing: Preferred Stock, Warrants, and Convertibles</td>
</tr>
</tbody>
</table>

**Learning Objectives:**

Know the basic rights associated with ownership. Explain how preferred shares differ from common shares. Understand how combining warrants with debt, or issuing convertible bonds can provide firms with attractive financing options.

*Important Event: Exam II due on July 18th by 11:59PM.*
Syllabus

**Week 8, July 22 – July 24, Chapter 23**

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>Enterprise Risk Management</td>
</tr>
</tbody>
</table>

**Learning Objectives:**

Define different types of derivatives, and the important characteristic of derivative securities. Know how to use derivatives to manage and reduce risk.

**Readings:** Notes posted on blackboard, and the corresponding chapters on the textbook.

**Important Event:**

**Final exam due on July 24th, 2019 by 11:59PM.**

Please read blackboard for detailed instructions.