Finance 3365  
Instructor: Cheryl McGaughey  
Corporate Financial Practices  
Spring, 2020

Office:  RAS 248  
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Email:  Cheryl.McGaughey@angelo.edu  
Office Hours:  10-11 M-F,  1:30-2 TT, 3:15-3:45 and by appointment

Class Description:  Capital markets and valuation of the firm; capital budgeting; cost of capital; and leverage


Required calculator:  Hewlett-Packard 10BII.

Course Objectives:  This course is designed to give students greater understanding of financial theory, principles and applications. It is essential that students learn fundamental principles, generalizations and theories. It is important that students gain factual knowledge (terminology, classifications, methods and trends) and learn to apply course material to improve thinking, problem solving and decisions. Ethical decision-making in the corporate sphere will be emphasized.

Learning Goals:  
Demonstrate proficiency in analytical thinking, critical analysis, creativity and problem solving directly related to corporate financial management  
Demonstrate knowledge of contemporary theory and practice in finance  
Demonstrate acceptable ethical awareness and moral reasoning in a corporate financial environment

These learning goals will be assessed with certain exam questions and certain assignments.
Grading:

There will be 4 hourly exams and 1 final exam. Exams will count 80% of the overall class grade. 4 of the 5 exams will be counted with each exam counting 20% of the final grade. The lowest exam grade will be dropped. **There will be no makeup exams.** If an exam is missed, it will count as the dropped exam. In addition to exams, there will be class assignments, counting 20% of the final grade. Most of these assignments will be done in class, using books and notes and may be done on a group basis. A few assignments will be done outside of class. **There will be no makeups for class assignments.**

Exam material is as follows:

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**Academic Honesty:** Angelo State University expects its students to maintain complete honesty and integrity in their academic pursuits. Students are responsible for understanding the Academic Honor Code, which is contained in the *Student Handbook.*

**Special Needs:** Students with disabilities which may warrant academic accommodations must contact the Student Life Office in order to request such accommodations prior to any accommodations being implemented. You are encouraged to make this request early in the semester so that appropriate arrangements can be made.

**Attendance:** You are required to attend all classes as stated in the *University Catalog.* There will be no specific points attached to your attendance but in-class assignments may not be made up. Also, you may not turn in late out-of-class assignments.

**Cell Phone Policy:** The use of cell phones is not generally an educational tool for this course. Therefore, the use of cell phones, including texting, is prohibited without prior permission of the instructor. Cell phones should be turned off or in silent mode during class.
College of Business 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

Schedule – Spring 2020

Monday, Jan. 13
Wednesday, Jan. 15
Friday, Jan. 17
Monday, Jan. 20
Wednesday, Jan. 22
Friday, Jan. 24
Monday, Jan. 27
Wednesday, Jan. 29
Friday, Jan. 31
Monday, Feb. 3
Wednesday, Feb. 5
Friday, Feb. 7
Monday, Feb. 10
Wednesday, Feb. 12
Friday, Feb. 14
Monday, Feb. 17
Wednesday, Feb. 19
Friday, Feb. 22
Monday, Feb. 24
Wednesday, Feb. 26
Friday, Feb. 28
Monday, March 2
Wednesday, March 4
Friday, March 6

Chapter 1 – Introduction
Chapter 1 – Types of Corporations
Chapter 1 – Financial Statements
Chapter 4 – Regulations
Chapter 4 – Time Value of Money
Chapter 4 – Time Value of Money
Chapter 4 – Time Value of Money
Chapter 4 – Loan Amortization
Chapter 4 - Annuities
Exam I
Exam I
Chapter 7 – Capital Budgeting
Chapter 7 – Payback & Net Present Value
Chapter 7- Internal Rate of Return
Chapter 7 – Abnormal CFs
Chapter 8 – Incremental CFs
Chapter 8 – EAA and replacement cost
Exam II
Exam II
Chapter 9 – Marginal Analysis
Chapter 9 – Breakeven Analysis
Chapter 9 – Sensitivity Analysis
Chapter 11 – Systematic & Unsystematic Risk
March 9-13
Monday, March 16 Spring Break
Wednesday, March 18 Chapter 11 – CAPM

Friday, March 20
Monday, March 23 Exam III
Wednesday, March 25 Chapter 12 – Cost of Capital
Friday, March 27 Chapter 12 – Cost of Debt
Monday, March 30 Chapter 12 – Cost of Debt
Wednesday, April 1 Chapter 12 – Cost of Equity
Friday, April 3 Chapter 12 – WACC
Monday, April 6 Chapter 12 – MCC
Wednesday, April 8 Chapter 14 – Optimal Capital Structure

Friday, April 10 Holiday

Monday, April 13 Chapter 14 – Financial Leverage

Wednesday, April 15 Exam IV

Friday, April 17 No Class

Monday, April 20 Corporate Ethics
Wednesday, April 22 Corporate Ethics
Friday, April 24 Corporate Ethics
Monday, April 27 Corporate Ethics
Wednesday, April 29 Chapter 15 – Corporate Bankruptcy
Friday, May 1 Wrap-Up