Course Description/Overview

Course Description

This course is an introductory course in the MBA program at Angelo State University. It 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

FINC 3361 or equivalent knowledge.

You should have an understanding of economics, accounting, and finance principles. You should have an understanding of Microsoft Office products such as Word, Excel, and PowerPoint. You should also know how to participate in a discussion.

Course Technology

This is an online course. Use of blackboard is required. It is essential that students familiarize themselves with the use of blackboard. We will also use PDF, MS Excel, Word, and PowerPoint in this class. 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. These applications are also on computers in the MCS Lab on campus.

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. You will also need to use the Respondus LockDown Browser (this is part of Blackboard and is free to you) and have a web cam in order to take the exams for this course.

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
Office Hours: Please 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 by MFT test.
2. Use financial statements to engage in financial analysis and planning activities. This is assessed by HW 1 and Exam I.
3. Apply financial quantitative analysis and concepts including time value of money, bond valuation to the decisions faced by a manager. This is assessed by HW 2 and Exam I.
4. Calculate the weighted average costs of capital, including debt and equity financing, and establish risk tolerances for firms. Differentiate different capital structure theories, and identify optimal capital structures for firms. This is assessed by HW 2 and Exam I.
5. Use forecasted cash flows and determined risk level to estimate firms’ value. Examine and construct optimal capital budgeting for firms. Know the methods and policies that how a company distributes its free cash flows to shareholders. This is assessed by HW 3 and Exam II.
6. Use Excel and downloaded stock prices and other financial data (from the internet) to make analysis on different stocks/firms with plots. This is assessed by HW 3 and Exam II.
7. Define different types of derivatives, and explain the important characteristic of derivative securities, and know how to use derivatives to manage and reduce risk. This is assessed by HW 3 and the final exam.
8. Articulate the reasons why firms go international. Explain the global financial environment and the globalization process experienced by multinational corporations. This is assessed by HW 3, an assessment, and the final exam.

Assessment of Student Learning Goal 8:

The students are required to complete an assessments on Student Learning Goals 8 in this course.

The assessment must be completed no later than July 6th, 2020 by 11:59 pm. It will be posted in Week 5. 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  
*ISBN-10:* 1-337-90260-8  

**No access code is needed.**

**Recommended Readings:**


**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.
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 using the Announcements and Discussions tools on blackboard. You should log into blackboard a minimum of once per day. The instructor will make announcements on blackboard when there are any updates of the course (new materials, new HWs, quizzes, exams, office hours cancelled, and etc).

   Students may send personal concerns or questions to the instructor using the course email tool. All general course-related questions should be posted to the “General Course” discussion board.

   The instructor will respond to your e-mails/posts within 24 to 48 hours during business day. The instructor often checks emails/posts and typically responds promptly. Emails/posts sent on Saturday or Sunday will receive a reply by Monday or Tuesday.

   If you call and the instructor does not answer, she is either away from our desks or on the line. You can send an email or leave a message on the voicemail. Please make your message short and leave your phone number and a good time to return your call.

3. Netiquette & Discussion Expectations
   Courtesy and Respect are expected in all course interaction. 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.

   When sending me an email, please include subject, titles or name of the person you are writing to, content, and your names. The instructor **will not respond** to emails that are not written in good manners.
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.

No late HW submissions can be accepted.

**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>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homework</td>
<td>70</td>
</tr>
<tr>
<td>Exam I</td>
<td>60</td>
</tr>
<tr>
<td>Exam II</td>
<td>60</td>
</tr>
<tr>
<td>Final Exam</td>
<td>90</td>
</tr>
<tr>
<td>Class Citizenship</td>
<td>20</td>
</tr>
<tr>
<td>Total Points</td>
<td>300</td>
</tr>
</tbody>
</table>

**Extra Bonus**

Students are encouraged to be active on discussions. You are encouraged to create new discussions, reply substantively and provide constructive suggestions to others’ posts. The instructor will evaluate your initial posts, and your answers to other students’ posts to offer the credits.

The instructor requires the students to submit HWs during the semester. Each HW is designed to accomplish course learning objectives.

During week 4, the students will be required to take this exam.

During week 6, the students will be required to take this exam.

During the final week, the students will be required to take this exam.

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.

Students are encouraged to be active on discussions. You are encouraged to create new discussions, reply substantively and provide constructive suggestions to others’ posts. The instructor will evaluate your initial posts, and your answers to other students’ posts to offer the credits.
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 23rd, 2020.**

*Exams will be online. 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](http://www.angelo.edu/content/files/14196-op-1003-grade-grievance).

**Title IX**

Angelo State University is committed to the safety and security of all students. If you or someone you know experience sexual harassment, sexual assault, domestic or dating violence, stalking, or discrimination, you may contact ASU’s Title IX Coordinator: Michelle Boone, J.D., Director of Title IX Compliance, at 325-486-6357 or through email at michelle.boone@angelo.edu.

**General Policies**

All students are required to follow the policies and procedures presented in these documents: Angelo State University Student Handbook Angelo State University Catalog.

**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.
**Syllabus**

**FIN 6301-DM1**
Summer 2020

**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/quiz/assignments at least one week in advance on blackboard.*

**Week 1, June 1st, 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. Understand 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:** HW 1 due on June 8th by 11:59PM.

*Please read blackboard for detailed instructions.*
**Week 2, June 8th, Chapter 4 and 5**

**Chapter** | **Topics**
--- | ---
4 | Time Value of Money

**Learning Objectives:**

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

**Chapter** | **Topics**
--- | ---
5 | Bonds, Bond Valuation, and Interest Rates

**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 2 is due on June 15th by 11:59PM.*

*Please read blackboard for detailed instructions.*

**Week 3, June 15th, Chapter 6 and 7**

**Chapter** | **Topics**
--- | ---
6 | 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** | **Topics**
--- | ---
7 | 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 3 is due on June 22nd by 11:59PM.*
**Week 4, June 22nd, 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>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>The Cost of Capital</td>
</tr>
</tbody>
</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:** Exam I due on June 29th by 11:59PM.

*Please read blackboard for detailed instructions.*
Syllabus

Week 5, June 29th, 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>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>Distributions to Shareholders: Dividends and Repurchases</td>
</tr>
</tbody>
</table>

**Learning Objectives:**

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

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Topics</th>
</tr>
</thead>
<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:** Assessment due on July 6th by 11:59PM.

Please read blackboard for detailed instructions.
## Syllabus

**FIN 6301 - DM1**  
Summer 2020

**Week 6, July 6th, 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: Exam II due on July 13th by 11:59PM.*

*Please read blackboard for detailed instructions.*

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**Week 7, July 13th, Chapter 18 and 20**

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Topics</th>
</tr>
</thead>
</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.

<table>
<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: HW 4 due on July 18th by 11:59PM.*
**Week 8, July 20th - Final Week, 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 23rd, 2020 by 11:59PM.*

*Please read blackboard for detailed instructions.*