University of Missouri–St. Louis

College of Business Administration
Finance 3500 – Financial Management
Summer 2021 – Section 002 – Online

Course Instructor: Tim Dombrowski
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Email: tdombrowski@umsl.edu
Weekly Office Hours: Tuesdays and Thursdays from 11AM–12PM, and by appointment

Course Description: The study of a firm’s need for funds; the institutions, instruments and markets concerned with raising funds; and the techniques of analysis used to determine how effectively these funds, once raised, are invested within the firm.

Prerequisites: ECON 1102, MATH 1105, ACCTNG 2400, INF SYS 2800, 2.0 min GPA


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Your student account will be charged for the cost of the digital course material ($106.70 + optional $25 looseleaf). We have helped save students over $39 million by providing digital content over the last 6 years.

The lowest cost content has been sourced. If you choose to opt out of the content please do so by June 23, 2021 to receive a refund. You will be sent an AutoAccess Welcome Email that will provide charge amounts, the opt-out process and any additional information needed for your AutoAccess course(s) beginning May 20, 2021.

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Course Objectives: Finance 3500 is an introduction to the finance function within the firm. The course objectives are to develop the financial and analytical skills, logical thought processes, and information literacy necessary to make and implement strategic corporate financial decisions. Upon successful completion of this course, students will have developed an understanding of firm organization, principal-agent relationships, fundamental financial statement analysis, short-term working capital management, risk/return relationships, time-value-of-money, valuation, cost of capital, and capital budgeting. The course will focus on how these topics interact with the financial management of the firm, other functional areas of business, and the capital markets.

Zoom Office Hours: Twice per week, we will have a Zoom meeting open to the entire class. The goal of these meetings is to discuss any questions related to the assigned chapter(s) and review the relevant problem set(s) for the week. You are expected to read the chapters and at least attempt to solve the problem set prior to the meeting. For students that are unable to attend the live meetings, these will be recorded and made available on Canvas.

Problem Sets: Problem sets will be made available on Connect prior to their respective weeks of study. Although the problem sets do not directly factor into final grades, students are strongly encouraged to work through them prior to the meetings as they will be used to allow students the opportunity to earn extra credit on their exams.

Extra Credit: For each question in the problem sets, I will randomly select a volunteering student for the opportunity to explain the answer and potentially earn extra credit towards the next exam. To be eligible, a student must be present in the live Zoom meeting and have submitted the correct answer in Connect prior to the beginning of the meeting. Extra credit will only be earned with a sufficient explanation of the answer, as exclusively determined by the instructor.

Attendance: Attendance and participation in the live Zoom meetings are not mandatory or graded, but they are strongly encouraged. Additionally, only students who are actively participating in the live Zoom meetings and correctly answer the problem in Connect prior to the meeting will be eligible to earn extra credit, as outlined above.

Exams: There will be three exams throughout the semester. Each exam will consist of 40 questions with a mix of multiple choice questions and Excel-embedded problems. Students will have two hours (120 minutes) to complete each exam. Each exam is worth 100 points.
Digital Proctoring:  The three exams in this course require the use of auto proctoring, which is an online, remote proctoring system that uses advanced machine learning and identity-verification technology to ensure test integrity.

You must have a laptop or desktop computer with a webcam and a microphone; you cannot use a smartphone or tablet. You must have a stable internet connection to take the assessment. The University recognizes that not all students may be able to meet the minimum requirements. If you do not have access to the minimum technology requirements, or have disabilities that require the use of a screen reader or keyboard navigation shortcuts, please inform your instructor before the quiz or test so that accommodations may be made.

You will have an opportunity to take a practice assessment before you take a graded assessment. You should do this ahead of your first real assessment as required adjustments may take a few minutes and use up valuable assessment time.

Please be aware that:

- You, your computer and your physical test-taking environment may be recorded.
- As you may be recorded, please dress appropriately.
- You may be asked to show a picture ID to the camera.
- You will need a quiet place to take the assessment – both for your concentration and as interruptions (voices, another person on camera) may be flagged for potential cheating.

See the Keep Learning website to learn how to:

- install any needed extensions
- set up your assessment environment; and
- complete the pre-assessment checks.
Exam Schedule: Exams 1 and 2 will be available for 48-hour windows. If you are sick, have a death in the family, or some other emergency you need to inform me during the testing window and provide me with proof (doctor’s note, obituary, etc.) within a week. If you do not inform me by then, you will get a zero on the exam!

- Exam 1: June 28–29, 2021 (Monday and Tuesday)
  - Chapters 1, 2, 3, and 4
- Exam 2: July 19–20, 2021 (Monday and Tuesday)
  - Chapters 5, 6, 7, 8, and 9
- Exam 3: August 4–6, 2021 (Wednesday–Friday)
  - Chapters 10, 11, 12, and 13

Group Project: Students will be divided into groups of up to five students for a semester-long project focusing on the financial position of an S&P 500 firm (if a group would like to select a firm outside of the S&P 500, this can be done with instructor approval). Students will use Groups as a starting point to divide into groups and begin collecting some basic financial information from their selected company’s financial statements.

Group Leaders: Each group will select a leader, who will be responsible for coordinating and scheduling group meetings as well as the presentation. The group leaders will coordinate directly with the rest of the group and the instructor to schedule group meetings. It is recommended that each group attempt to meet at least once per week to keep up with the project expectations.

Report and Presentation: The culmination of the group project will be both a pdf report and a roughly 30-minute presentation via Zoom with all group members present. The pdf report and Zoom presentation are expected to be professionally formatted (alternative formats are permitted only with prior instructor approval). The individual groups will be responsible for hosting the meeting, distributing the link to the class, and are expected to make technical preparations to ensure a successful presentation.

Each group must submit their final report and a shared link to their presentation resources by the end of Week 7 (August 1 @11:59PM). However, so long as the uploaded link remains the current path for the presentation materials, groups may continue to work on their materials up until the beginning of their presentation during Week 8.
Group Meetings: It is recommended that each group meet with the instructor for a Zoom meeting at least once per week for roughly 30 minutes. The primary focus for these meetings will be to provide updates on the group project and to ask any questions that may arise when connecting the course material with the group’s selected company.

Project Grading: The grading for the semester-long project will be split across the pdf report, the presentation, and teamwork. These components will sum to a total of 200 points across the entire project. The following breakdown is provided as a general guide to how projects will be graded. Of note is that teamwork grades will be awarded individually, so not all group members are guaranteed to receive the same grade:

- Report: 80 points (Correctness of figures, readability, meaningful graphics/statistics, formatting, etc.)
- Presentation: 80 points (Content, professionalism, smooth operation of meeting, etc.)
- Teamwork: 40 points (Intra-group reviews of team members to evaluate contributions)

Grading: The grading for the course will follow the standard +/- grading scale below. Across the three exams and the group project, there are 500 total points. The final grade will be a weighted average as such:

- Exams: $3 \times 100$ points = 60% of final grade
- Project: 200 points = 40% of final grade

<table>
<thead>
<tr>
<th>Final %</th>
<th>Grade (Points)</th>
<th>Final %</th>
<th>Grade (Points)</th>
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<tbody>
<tr>
<td>$\geq 93.0$</td>
<td>A (4.0)</td>
<td>73.0 – 76.9</td>
<td>C (2.0)</td>
</tr>
<tr>
<td>90.0 – 92.9</td>
<td>A– (3.7)</td>
<td>70.0 – 72.9</td>
<td>C– (1.7)</td>
</tr>
<tr>
<td>87.0 – 89.9</td>
<td>B+ (3.3)</td>
<td>67.0 – 69.9</td>
<td>D+ (1.3)</td>
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<tr>
<td>83.0 – 86.9</td>
<td>B (3.0)</td>
<td>63.0 – 66.9</td>
<td>D (1.0)</td>
</tr>
<tr>
<td>80.0 – 82.9</td>
<td>B– (2.7)</td>
<td>60.0 – 62.9</td>
<td>D– (0.7)</td>
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<tr>
<td>77.0 – 79.9</td>
<td>C+ (2.3)</td>
<td>$&lt; 60$</td>
<td>F (0.0)</td>
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Grading Scale:
Chapters:

1. Corporate Finance and the Financial Manager
2. Financial Statements, Taxes, and Cash Flow
3. Working with Financial Statements
4. Long-Term Financial Planning and Growth
5. Introduction to Valuation: The Time Value of Money
6. Discounted Cash Flow Valuation
7. Interest Rates and Bond Valuation
8. Stock Valuation
9. Net Present Value and Other Investment Criteria
10. Making Capital Investment Decisions
11. Project Analysis and Evaluation
12. Some Lessons from Capital Market History

Study Recommendations:

- Read the chapters and attempt to solve the problem sets prior to the weekly office hours. Take note of any items that may require further clarification, provide an interesting topic to talk about, or be a good problem to work through as practice.

- You need to study diligently starting on the first day of the semester. Do not postpone until the last moment. Aim to keep pace with the course schedule below and be prepared for both the weekly office hours and group meetings.

- Make use of the practice quizzes for each chapter. Although they are not factored into the final grade, they provide an excellent study guide for the exams. They are set up to allow for the same amount of time per question as the exams, and the questions randomize every attempt. The quizzes also allow for hints and links to the eBook during the quiz and will provide detailed feedback after completion.

Time Requirements:

If this course were offered on campus, you’d be in class 2.5 hours/week plus travel time. The online version is no different in terms of expectations for your involvement. This is an active online course that requires 3 hours of your time each week in addition to the time it takes you to read the required materials, watch the videos, and complete the assignments. That means that you need to plan to spend a minimum of 6 hours every week (up to 9-10 hours a week) on activities related to this course. If you would like to explore how the online Canvas activities work, please consult the Online Canvas Overview course in Canvas where you can practice posting to a discussion board, take a practice quiz and more. If you are worried about your preparedness, consider taking the Online Readiness Survey to help decide if an online course is right for you.
Technology Requirements:

As a student in an online course, you are expected to have reliable internet access almost every day. Please reach out to your academic advisor or student success network if you need hardware or access to the Internet. If you have computing problems, it is your responsibility to address these through the ITS Helpdesk (helpdesk@umsl.edu) or to use campus computing labs. Problems with your computer or other technology issues are not an excuse for delays in meeting expectations and missed deadlines for the course. If you have a problem, get help in solving it immediately. At a minimum, you will need the following software/hardware to participate in this course:

1. Computer with an updated operating system (e.g. Windows, Mac, Linux)
2. Updated Internet browsers (Apple Safari, Internet Explorer, Google Chrome, Mozilla Firefox)
3. Ability to navigate Canvas (Learning Management System)
4. Minimum Processor Speed of 1 GHz or higher recommended.
5. Reliable and stable internet connection.
6. Adobe Reader or alternative PDF reader (free)
7. A webcam and/or microphone is highly recommended.

Resources/Support:

Additional resources that students should review include:

- Academic Integrity/Plagarism
- Academic Support
- Mandatory Reporting
- Online Netiquette/Behavior
- Student Resources
- Technical Support
- UMSL AutoAccess FAQ
# Tentative Course Schedule

<table>
<thead>
<tr>
<th>Week</th>
<th>Textbook Readings</th>
<th>Group Projects</th>
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| **Week 1 (6/14–20)** | - Review Syllabus  
- Chapter 1  
- Chapter 2 | - Split into Groups  
- Pick company to focus on  
- Plan out a tentative meeting schedule for remainder of semester (ex. frequency, schedules, platform, etc.) |
| **Week 2 (6/21–27)** | - Chapter 3  
- Chapter 4 | - Access and begin reading your company’s most recent annual report using the (SEC’s EDGAR Database)  
- Finish completing Groups column  
- Outline the remainder of the project |
| **Week 3 (6/28–7/4)**  
*Exam 1 on 6/28–29* | - Chapter 5  
- Chapter 6 | - Summarize financial statements  
- Examine the management structure (C-Suite Execs., Directors, etc.)  
- Short-term and long-term focuses |
| **Week 4 (7/5–11)**  
*Independence Day holiday observed on Monday, 7/5* | - Chapter 7 | - Focus on the company’s liabilities  
- When do their bonds mature? Plot out the maturity structure over time  
- What are the coupon rates? Do they trade at discount or premium? |
| **Week 5 (7/12–18)** | - Chapter 8  
- Chapter 9 | - Focus on company’s equity  
- How many different classes of stock?  
- How often are dividends? How much?  
- What does stock price say about the cost of equity? |
| Week 6 (7/19–25) *Exam 2 on 7/19–20 | • Chapter 10  
• Chapter 11 | • What major projects are the company working on?  
• What are some risks facing the company moving forward?  
• What are competitors working on?  
• Do a SWOT Analysis |
|---|---|---|
| Week 7 (7/26–8/1) *Group Projects Due by 8/1 | • Chapter 12  
• Chapter 13 | • Examine the historical stock prices.  
• What is the average daily return?  
• What is the return volatility?  
• What is the Sharpe ratio?  
• How do these all relate to the Security Market Line? |
| Week 8 (8/2–8/8) *Classes End 8/3 **Final Exams 8/4–7 | • Exam 3: 8/4–6 | • Group Presentations: 8/2–5 |