

**FIN 3500 FINANCIAL MANAGEMENT Fall 2019  
SYLLABUS**

**Reference # 13963 FIN 3500-004 Time:** MW 9:30 – 10:45 a.m.. **216** SSB  
**Credits:** 3

**AND**

**Reference # 12948 FIN 3500-001 Time:** MW 11:00 – 12:15 a.m. **216** SSB  
**Credits:** 3

**Location: 216 SSB** (Social Science Business Hall), North Campus  
Building #11 on Campus Map – see Maps in My Gateway masthead

**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. Ultimately, we will see how we as financial managers affect the value of the firm.

**This course will use Canvas. This course format is in class.**

**Body of Knowledge:**

The student should gain familiarity with:

- much of the language of finance
- the practice and problems of corporate governance
- the time value of money as it relates to security pricing and capital budgeting
- the markets for securities and their valuation
- the ability to calculate a firm's cost of capital
- the basics of capital budgeting
- utilizing and interpreting financial statements to evaluate performance, make business decisions and forecast financing requirements
- capital structure and its interaction with financial policy decisions
- ethical decision making



**Professor James Pandjiris, CFA**

**Welcome to FIN 3500!**

- *B.A. Psychology, U. of Notre Dame, 1974, M.B.A. Washington University in St. Louis, 1976.*
- *Earned Chartered Financial Analyst (CFA) designation in 2001.*
- *23 years' experience in investment banking (focus on mergers/acquisitions and corporate valuations), 3 years' experience in Private Client Services, and 3 years' experience in securities research at A.G. Edwards & Sons, Inc. (now Wells Fargo Advisors) and St. Louis Union Trust Company (now Bank of America Trust Company).*
- *Started teaching at UMSL in 2005. Teach courses in Corporate Financial Management, Investments, and Retirement Planning.*
- *Interested in Behavioral Finance, High Frequency Trading, and Dividend Investing.*

**Instructor:** James Pandjiris, CFA    Office: 513 Tower. 5<sup>th</sup> floor

**Office Hours:** MW: 9:00 – 9:20 and 1:30 – 2:00 pm Phone: 314-516-5018

E-mail: [pandjirisj@umsl.edu](mailto:pandjirisj@umsl.edu)    I am easier to reach by e-mail.

**Required Texts:**

Ross, Westerfield, Jordan. Fundamentals of Corporate Finance, 12<sup>th</sup> Edition, McGraw-Hill Irwin.

Your course is part of the MU Digital Partnership with McGraw-Hill this semester. This means that students will **NOT need to purchase course materials in the bookstore**. You will be provided with access to a Connect account (where your course materials and assignments live) on the first day of class or before. Connect Finance is an electronic platform to access electronic version (e-book) of text and from which you will submit homework and quizzes.

The University will charge each student's bursar account for the course and the materials after the drop date (this part is handled internally by the University). This offers students savings on their course materials and ensures access for everyone on day 1. An additional bonus for everyone is that there are no access codes to deal with. This is a **Codeless Offer**.

Thus, the textbook for the course, [Fundamentals of Corporate Finance](#), 12<sup>th</sup> edition, by Ross, Westerfield, and Jordan, McGraw Hill, will be available in e-book format.

Students, please do **NOT** purchase a used book (from another student or online). You will not have access to Connect Finance and will not receive the discounted price. By registering for the course, you will be automatically charged for access to Connect Finance and the e-book version of the text.

**Connect Finance** is an electronic platform associated with the course's text to provide for homework assignments and other learning aids. *Connect Finance* is required for access to the online homework, eBook, guided examples, Learnsmart, interactive presentations, and tegrity lectures. **You can immediately access *Connect Finance* through your Blackboard course. No registration is required.**

Our textbook is *Fundamentals of Corporate Finance, 12<sup>th</sup> Edition*. This course is part of our AutoAccess program designed to reduce the cost of course materials for students. You will be able to access the digital content for this course through Blackboard/Canvas on the first day of class automatically.

Your student account will be charged approximately **\$126.00** for the cost of the digital course materials. Final credits/charges will happen approximately August 31, 2019. You will be saving about \$57.00 by using your materials through AutoAccess.

For an additional approximately \$43 dollars you can purchase, from the UMSL bookstore, a loose leaf version of the text if you prefer a hard copy of the text. This low cost print option is only available to students who stay opted in to the digital materials.

If you have any questions please visit [www.thetritonstore.com/autoaccess](http://www.thetritonstore.com/autoaccess) or email [autoaccess@umsl.edu](mailto:autoaccess@umsl.edu).

**Do NOT buy a textbook or digital access to *Connect yourself*.** Everyone who is registered for this course after the add/drop date will be billed automatically for the text and digital access to *Connect*. *If you wish to have a hard copy of the text*, you will pay for the loose-leaf text and digital access through the bursar's office. Then pick up your copy at the UMSL bookstore.

Connect Finance has excellent study aids for each chapter. I ***strongly recommend*** your use of the site on a regular basis.

### **Supplementary Materials:**

A financial calculator is **required**. This should have N, i/y, PV, PMT, and FV functions. The **TI-BAII Plus model** or **HP-10B model** is a good calculator (at about \$30 at bookstore and mass merchandisers) for this and more advanced finance courses. Note: the Texas Instruments TI-83/84 are *not* particularly friendly for financial calculations. These are primarily graphing calculators; many of my former students have found the TI-83/84 somewhat difficult, at first, to apply to financial problems. If you already have a TI-83/84, do ***not buy*** another calculator.

- Please get familiar with the operation of your calculator; read the handbook or go to the manufacturer's website for guidance. **You** (yeah, *you*) are responsible for knowing how to operate your calculator. The website [www.tvmcalcs.com](http://www.tvmcalcs.com) is an excellent resource for calculators.
- Reading the Wall Street Journal or the business section of the New York Times is recommended. The Wall Street Journal may be ordered for home delivery at <http://www.WSJ.com/studentoffer>. Both publications are available in the Library Reference section.

### **Course Requirements and Procedures:**

Instruction Method: Classes are a combination of lecture and discussion of problems/issues. Homework problems will be assigned frequently. *Successful students* attempt the problems before class and then review answers discussed in class. If you don't understand a concept or a problem, see me or e-mail me. Don't let that concept fester. The subject matter builds on prior concepts. I get paid to answer e-mails. There will be a tutor for this class, announced shortly after the semester begins.

### **My Gateway**

I utilize Canvas extensively during the semester. I may post articles, list future assignments, provide answers to homework problems, provide access to PowerPoint presentations, and advise on studying for exams. You may send me questions or comments (I *encourage* this activity) via e-mail on Canvas. If you do not have access to Canvas at your home, I **strongly recommend** you arrange to access Canvas two to three times weekly while on campus. Access Canvas off-campus using **Mozilla Firefox** search engine.

*Note: I recommend you NOT take this course while also enrolled in Business Statistics course unless you are a strong student. Both courses have a lot of homework weekly. Pick one or the other.*

- **YOUR SUCCESS** in this course is important to me. When I believe that the programs offered by Student Retention Services (SRS) will help you academically, I will send a referral via MyConnect, the campus *Academic Alert System*. The SRS offers assistance tailored to specific instructional needs. Learn about the MyConnect system in the online Student Planner, <http://www.umsl.edu/~umslsrs/Academic%20Intervention%20Programs/alert.html>

### **Attendance/Participation:**

Attendance will be taken and will have an effect on your grade. If your attendance is below 90% on the days on which attendance is taken, you will not receive 2% (10 points) attendance extra credit in grading. **Any student missing more than 6 sessions in which attendance is taken will receive 1 full letter grade lower for the semester.** The material is cumulative and missing any class will make it difficult for the student to follow subsequent

## U of Missouri-St. Louis

FIN 3500 Financial Management Fall 2019

classes. Attendance will be called about 5 minutes after class starts. You are absent if you came in after attendance was taken.

*If you are sick*, do NOT come to class. E-mail me regarding your estimated return to class. If you have a serious family emergency or a death in the family, E-mail me to let me know of your absence and your expected return.

If you will be absent from class more than one time due to religious observance or the effects of religious observance (e.g. weakness from fasting), please contact me ***BEFORE*** the observance so that we can work out a schedule for you to complete assignments in a timely manner. It is the student's responsibility to contact me in a timely manner.

In my 15 years teaching, there is a very high correlation between low attendance and failing grades.

### **SNOW DAYS:**

I cannot unilaterally cancel class because of snowfall, only the UMSL administration has that power and will disclose any snow closure by e-mail (if you register) and also by television and on the UMSL website. There may be a situation when school is open but you cannot get out of your street or community. ***Don't be a hero***; e-mail me of your predicament and I will not record you as absent.

### **Assignments:**

Students are encouraged to complete readings and do homework problems *prior* to class meetings. **Homework** which is assigned for credit will have to be submitted through Connect Finance *before* class begins. The solutions to assignments will be displayed in Connect Finance after submission of Homework assignment. Homework submitted late will **NOT** be counted for grading purposes. You will be allowed 2 attempts of homework, except if you earn 100% on first attempt. I will also assign **in-class exercises**. You print out the exercise and complete it in the next class. You may confer quietly with neighbors and access your notes to complete in-class exercises.

### **Disability**

Students with disabilities who believe that they may need accommodations in order to effectively participate in this class, please contact the **Disability Access Services Office** in 144 Millenium Student Center at 516-6554 as soon as possible to ensure that such accommodations are arranged in a timely fashion. Please provide me, privately, permission information and

accommodations to support you in this class. Such information will be regarded as confidential.

### **Self Quizzes**

Connect Finance website provides self-quizzes for virtually every chapter. I recommend you review these before/after each chapter. Some exam questions will be based on self-quizzes.

### **Quizzes/In Class Exercises**

There *may* be up to 4 quizzes electronically offered during the semester. These will be relatively short and will test your grasp of the material. Electronic quizzes through Canvas can be sensitive to home computers; consider taking electronic quizzes through Canvas on campus with University computers or access Canvas off-campus using **Mozilla Firefox** search engine. If you miss a quiz or an In Class Exercise, your grade on that quiz will be zero, unless you are sick. Only individuals on school business (primarily intercollegiate players) or those who were sick (1 time only) may take a quiz or In Class Exercise at an alternative date.

### **Power Point Presentations**

In Canvas, I will provide access to Power Point presentations related to most chapters discussed in class. While I may not present each presentation in the classroom, *you will be responsible for the materials contained therein.* Please review these presentations for quiz and exam preparation. You are responsible for materials presented in the text.

### **Exams:**

Five exams will be offered and *approximate* dates are listed herein. The date of an exam will be announced in class at least one class period in advance. The final exam will be necessarily comprehensive but with *greater* emphasis on the chapters covered since exam four. The exams will be objective, multiple-choice. For an exam, you will be allowed **one side of an 8 ½ \* 11 page** on which you can write notes/formulae. **Note** that exams comprise about **74%** of your total grade; treat them with **great importance**.

### **Extra Credit Assignments**

From time to time, assignments *may* be offered which can be completed on a voluntary basis for extra credit *up to* an additional 3% (15 points) above the attendance credit. If extra credit assignments are made available, I

recommend students do them; one never knows how many points are enough.

**Grades:**

Grades will be based on the following weightings:

	Points:
In Class Exercises/Quizzes	52 estimated 13 exercises @ 4 pts each
Assigned Problems (Homework)	80 estimated 16 HW @ 5 pts each
First Exam	60
Second Exam	76
Third Exam	74
Fourth Exam	73
Final Exam	<u>85</u>
<b>Total</b>	<b>500 Points</b>

Note that “plus” and “minus” grades will be used in this course. A maximum grade on assigned work is 500 points. Extra credit points will be added to the assigned points to derive Total Points.

Letter grades will be awarded *approximately* as follows:

<b>A/A-</b> $\geq$ 448.0 points	<b>B+/B-</b> 398.0 to 447.5 points
<b>C+/C-</b> 348.0 to 397.5	<b>D+/D-</b> 299.5 to 347.5 points
<b>F</b> $<$ 297.5 points	

Your Total Points will be the basis of your letter grade. Note that a grade of A/A- is **not easy** to achieve.

Note: Total points ending in decimals of .6 and higher will be rounded up to the higher whole number in calculating final numeric grades. Extra credit points add to your total points. Your letter grade will be based on the sum of your Assigned Points Earned and any Extra Credit points. ***Extra credit points are valuable*** as they add to the numerator of the fraction to calculate your percentage score out of 500 points but do not affect the denominator, set at 500 points.

**Courtesy and Collegiality:**

Please *turn off* all electronic communication devices during class as a courtesy to all. I hope to encourage discussion, questions, and comments. While we may have differing opinions and come from different cultures, let’s respect each other’s views. Please be respectful in language and behavior.



Hand-held phones and i-Pads may NOT be used for quizzes or exams in class.

### **Academic Honesty:**

The University Of Missouri-St. Louis encourages students to pursue excellence within a respectful and collegial environment and to assume responsibility for consequences of personal actions. The University requires students to reject any type of dishonest behavior. Honesty precludes seeking, providing, or receiving any form of unauthorized assistance on tests or any type of assignment. Any form of cheating on exams/assignments may result in “0” points for that exam or exercise. **Please keep your eyes on your exam; do not let your eyes wander in an exam.**

Any form of cheating on exams will result in “0” points for that exam or assignment. Additional penalties imposed by the Office of Academic affairs are possible. Plagiarism is the use of another person’s words or ideas without crediting that person. To avoid accusations of academic dishonesty, please submit all written work to the Safe Assign System before finalizing what you submit for evaluation. Academic dishonesty is a **serious** offense and is not worth it. The code of student conduct is available in the *Student Handbook*.

See <http://www.umsl.edu/~webdev/bulletin/student-conduct.html>.

### **Campus Safety**

- All members of the UMSL community are invited to register their cell and office phone numbers to receive notification of any pending danger on campus. Find instructions here: <http://safety.umsl.edu/police/services/3n.html>
- In the event of an emergency on campus, call Campus Police at **314.516.5155**. A call to 911 on a cell phone only, will go to the St. Louis County Police. The St. Louis County Police will notify UMSL Police, but this may cause a delay in response. Campus Police know the best way to escort emergency vehicles to locations on campus.
- **If you do not feel comfortable walking to a parking lot, MetroLink stop, or anywhere else on campus, contact the Campus Police for an escort: 314.516.5155.**

**Assignment Outline & Schedule \***

**Date   Topic**

**I. The Big Overview**

- 8/19 Introduction to Corporate Finance and Ch 1
- 8/21 Ch 1 and Ch 2 Financial Statements
- 8/26 Ch 2 continued
- 8/28 Ch 3 Working with Financial Statements
- 9/2 **No Class** – Labor Day
- 9/4 Ch 3 continued
- 9/9 **First Exam** (Covers chapters 1, 2, and 3)

**II. Corporate Financial Planning, Time Value of Money, Discounted Cash Flow**

- 9/11 Ch 4 Long Term Financial Planning
- 9/16 Last day to drop a course or withdraw from school without receiving a grade  
Ch 4 continued
- 9/18 Ch 5 Time value of Money
- 9/23 Ch 6 DCF Valuation
- 9/25 Ch 6 continued
- 9/30 **Second Exam** (covers chapters 4, 5, and 6)

**III. Valuing Bonds and Equities**

- 10/2 Ch 7 Interest rates and bond valuation
- 10/7 Ch 7 continued
- 10/9 Ch 8 Stock Valuation
- 10/14 Catch up  
Last day to drop a course or withdraw from school without instructor approval.  
EX grade will be assigned.

10/16 **Third Exam** (covers chapters 7 and 8)

**IV. Analyzing Cash Flows**

10/21 Ch 9 NPV

10/23 Ch 9 continued

10/28 Ch 10 Project Cash Flows

10/30 Ch 10 continued

11/4 Ch 11

11/6 **Fourth Exam** (covers chapters 9, 10, and 11)

**V. Cost of Capital and Maximizing Value**

11/11 Ch 12 Some Lessons from Capital Market History and Ch 13 Return/Risk  
Last day a student may drop a course. Instructor approval is required. A grade of EX or EX-F will be assigned.

11/14 Ch 14 Cost of Capital

11/25 – 11/27 **No Classes**

12/2 Ch 14 continued and Ch 16 **SKIP** ch 15

12/4 Catch up

\*Final Exam will be the week of December 9

---

\* This syllabus is subject to change at the discretion of the instructor to accommodate instructional and/or student needs. It is the student's responsibility to keep abreast of such changes.

Dated: 7/17/2019