

# University of Missouri–St. Louis

*College of Business Administration*

Finance 3500 – Financial Management

Spring 2022 – Section 003

Anheuser-Busch Hall 00003 – M/W 09:30–10:45

**Course Instructor:** Tim Dombrowski  
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**Weekly Office Hours:** Wednesdays from 11–12, and by appointment

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**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, INFSYS 2800, 2.0 min GPA

**Required Materials:** Ross, Westerfield, and Jordan, “Fundamentals of Corporate Finance,” 13th ed., 2022, McGraw-Hill Connect.

**UMSL AutoAccess:** 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 Canvas on the first day of class automatically.

Your student account will be charged for the cost of the digital course material (\$110.53). 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 February 1, 2022, 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 January 5, 2022.

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<b>Course Objectives:</b>	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.
<b>Weekly Meetings:</b>	Each week, we will have two class meetings. These will also be streamed on Zoom, recorded, and posted to Canvas for review content. The goal for these meetings is to discuss any questions related to the assigned chapter and review the relevant problem sets. You are expected to read the chapters and at least attempt to solve the problem sets prior to the meetings.
<b>Problem Sets:</b>	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.
<b>Attendance:</b>	Attendance and participation in the live meetings are not mandatory or graded, but they are strongly encouraged. Additionally, only students who are actively participating in the live meetings and correctly answer the problem in Connect prior to the meeting will be eligible to earn extra credit, as described below.
<b>Grading:</b>	<p>The grading for the course will follow the standard +/- grading scale. Across the three exams and the group project, there are 500 total points. The final grade will be a weighted average as such:</p> <ul style="list-style-type: none"><li>• Exams: <math>3 \times 100</math> points = 60% of final grade</li><li>• Project: 200 points = 40% of final grade</li></ul>
<b>Extra Credit:</b>	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 meeting and coherently explain the solution (this often includes screen sharing one's work in Excel). <b>Extra credit will only be earned with a sufficient explanation of the answer, as exclusively determined by the instructor.</b>

**Exams:**

There will be three exams throughout the semester. Each exam will consist of 40 equal-weighted 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.

**Proctoring:**

The three exams in this course may be taken with 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. As an alternative to the remote proctoring option, students can choose to take the exams during the in-person class meeting within the testing window.

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 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: February 14–15, 2021 (Monday and Tuesday)
  - Chapters 1, 2, 3, and 4
- Exam 2: March 21–22, 2021 (Monday and Tuesday)
  - Chapters 5, 6, 7, 8, and 9

Exam 3 will be made available after the last Week 14 meeting and remain open until the end of finals week in Week 17. **Due to the larger testing window, there will be no extensions beyond the deadline, so plan accordingly.** Students are encouraged to take the exam at their soonest convenience.

- Exam 3: April 20 @11:00AM – May 13, 2022, @11:59PM
  - 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.

**Group Meetings:**

Each group is expected to check in with the instructor at least once every other week. 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.

**Report and Presentation:**

The culmination of the group project will be both a pdf report and a roughly 30-minute presentation with all group members present. The pdf report and 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 14 (4/24 @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.

**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 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 Scale:**

Final %	Grade (Points)	Final %	Grade (Points)
$\geq 93$	A (4.0)	73 – 76	C (2.0)
90 – 92	A– (3.7)	70 – 72	C– (1.7)
87 – 89	B+ (3.3)	67 – 69	D+ (1.3)
83 – 86	B (3.0)	63 – 66	D (1.0)
80 – 82	B– (2.7)	60 – 62	D– (0.7)
77 – 79	C+ (2.3)	< 60	F (0.0)

Note: Intermediate grades are not rounded; however, final grades will be rounded to the nearest percentage point before assigning a letter grade.

**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
13. Return, Risk, and the Security Market Line

**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 tasks until the last moment. Aim to keep pace with the course schedule below.
- Make use of the practice quizzes for each chapter. Although they do not factor into the final grade, they provide an excellent study resource for the exams. They allow for the same amount of time per question as the exams, and every attempt generates a new set of questions. The quizzes also allow for hints and eBook links during the quiz and provide detailed feedback after completion.

**Resources/Support:**

Additional resources that students should review include:

- [Academic Advising](#)
- [Academic Integrity/Plagiarism](#)
- [Academic Support](#)
- [Mandatory Reporting](#)
- [Online Netiquette/Behavior](#)
- [Student Resources](#)
- [Technical Support](#)
- [UMSL Academic Calendar](#)
- [UMSL AutoAccess FAQ](#)

## Tentative Course Schedule

	Weekly Meetings	Group Project Tasks
<b>Week 1 (1/17–23)</b> *MLK Day: 1/17 *Wed. Meeting: 1/19	<ul style="list-style-type: none"> <li>• Review Syllabus</li> <li>• Discuss Chapter 1</li> <li>• Split into <u>Groups</u></li> </ul>	<ul style="list-style-type: none"> <li>• Pick company and meet with group</li> <li>• Plan out a tentative meeting schedule for remainder of semester (ex. frequency, schedules, platform, etc.)</li> </ul>
<b>Week 2 (1/24–30)</b> *Mon. Meeting: 1/24 *Wed. Meeting: 1/26	<ul style="list-style-type: none"> <li>• Discuss Chapter 2</li> </ul>	<ul style="list-style-type: none"> <li>• Access and begin reading your company's most recent annual report</li> <li>• Finish completing <u>Groups</u> column</li> </ul>
<b>Week 3 (1/31–2/6)</b> *Mon. Meeting: 1/31 *Wed. Meeting: 2/2	<ul style="list-style-type: none"> <li>• Discuss Chapter 3</li> </ul>	<ul style="list-style-type: none"> <li>• Outline the remainder of the project</li> </ul>
<b>Week 4 (2/7–13)</b> *Mon. Meeting: 2/7 *Wed. Meeting: 2/9	<ul style="list-style-type: none"> <li>• Discuss Chapter 4</li> </ul>	<ul style="list-style-type: none"> <li>• Summarize financial statements</li> <li>• Management structure (C-Suite Execs.)</li> </ul>
<b>Week 5 (2/14–20)</b> *Exam 1: 2/14–15 *Mon. Meeting: 2/14 *Wed. Meeting: 2/16	<ul style="list-style-type: none"> <li>• Discuss Chapter 5</li> </ul>	<ul style="list-style-type: none"> <li>• Short-term and long-term focuses</li> </ul>
<b>Week 6 (2/21–27)</b> *Mon. Meeting: 2/21 *Wed. Meeting: 2/23	<ul style="list-style-type: none"> <li>• Discuss Chapter 6</li> </ul>	<ul style="list-style-type: none"> <li>• Focus in on the company's liabilities</li> <li>• When do bonds mature? Plot out the maturity structure over time</li> </ul>
<b>Week 7 (2/28–3/6)</b> *Mon. Meeting: 2/28 *Wed. Meeting: 3/2	<ul style="list-style-type: none"> <li>• Discuss Chapter 7</li> </ul>	<ul style="list-style-type: none"> <li>• What are the coupon rates? Do they trade at discount or premium?</li> </ul>
<b>Week 8 (3/7–13)</b> *Mon. Meeting: 3/7 *Wed. Meeting: 3/9	<ul style="list-style-type: none"> <li>• Discuss Chapter 8</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on company's equity</li> <li>• How many different classes of stock?</li> </ul>
<b>Week 9 (3/14–20)</b> *Mon. Meeting: 3/14 *Wed. Meeting: 3/16	<ul style="list-style-type: none"> <li>• Discuss Chapter 9</li> </ul>	<ul style="list-style-type: none"> <li>• How often are dividends? How much?</li> <li>• What does stock price say about the cost of equity?</li> </ul>

<b>Week 10 (3/21–27)</b> <b>*Exam 2: 3/21–22</b> <b>*Mon. Meeting: 3/21</b> <b>*Wed. Meeting: 3/23</b>	<ul style="list-style-type: none"> <li>• Discuss Chapter 10</li> </ul>	<ul style="list-style-type: none"> <li>• What major projects are the company working on?</li> </ul>
<b>Week 11 (3/28–4/3)</b>	<b>Spring Break No Classes</b>	
<b>Week 12 (4/4–10)</b> <b>*Mon. Meeting: 4/4</b> <b>*Wed. Meeting: 4/6</b>	<ul style="list-style-type: none"> <li>• Discuss Chapter 11</li> </ul>	<ul style="list-style-type: none"> <li>• What are some risks facing the company moving forward?</li> <li>• What are competitors working on?</li> <li>• Do a SWOT Analysis</li> </ul>
<b>Week 13 (4/11–17)</b> <b>*Mon. Meeting: 4/11</b> <b>*Wed. Meeting: 4/13</b>	<ul style="list-style-type: none"> <li>• Discuss Chapter 12</li> </ul>	<ul style="list-style-type: none"> <li>• Examine the historical stock prices.</li> <li>• What is the average daily return?</li> <li>• What is the return volatility?</li> </ul>
<b>Week 14 (4/18–24)</b> <b>*Mon. Meeting: 4/18</b> <b>*Wed. Meeting: 4/20</b> <b>*Exam 3 Open: 4/20 @11AM</b> <b>*Reports Due 4/24</b>	<ul style="list-style-type: none"> <li>• Discuss Chapter 13</li> </ul>	<ul style="list-style-type: none"> <li>• What is the Sharpe ratio?</li> <li>• How do these all relate to the Security Market Line?</li> </ul>
<b>Week 15 (4/25–5/1)</b> <b>*Mon. Meeting: 4/25</b> <b>*Wed. Meeting: 4/27</b>	<b>Group Presentations</b>	
<b>Week 16 (5/2–8)</b> <b>*Mon. Meeting: 5/2</b> <b>*Wed. Meeting: 5/4</b> <b>*Classes End: 5/7 @5PM</b>	<b>Group Presentations</b>	
<b>Week 17 (5/9–15)</b> <b>*Exam 3 Due: 5/13</b> <b>*Semester Ends: 5/14 EOD</b>	<b>Finals Week</b>	