

University of Missouri–St. Louis

College of Business Administration

Finance 3500: Financial Management

Fall 2023 – Section 004 – 3 Credit Hours

Anheuser-Busch Hall 00003 – M/W 11:00AM–12:15PM

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Weekly Office Hours: M/W from 12:15PM–1:00PM, 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, 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.

Your student account will be charged for the cost of the digital course material (\$121.65). The lowest cost content has been sourced. If you choose to opt out of the content please do so by September 5, 2023, 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 August 7, 2023.

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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.
Weekly Meetings:	Each week, we will have two class meetings. These will also be streamed on Zoom, recorded, and posted to Canvas. 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.
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 the exams.
Attendance:	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.
Grading:	<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">• Exams: 3×100 points = 60% of final grade• Project: 200 points = 40% of final grade
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 meeting and coherently explain the solution (this often includes screen sharing one's work in Excel). Extra credit will only be earned with a sufficient explanation of the answer, as exclusively determined by the instructor.

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 the SmarterProctoring platform. SmarterProctoring is an online, remote proctoring system that uses advanced machine learning and identity-verification technology to ensure test integrity. This platform allows you to take proctored tests at home using a computer extension; or alternatively take your exam in a traditional way by scheduling an exam in a testing center or with an approved proctor in your area. If you prefer to take your exam in a traditional proctored setting rather than at home on your own computer, follow these instructions to schedule your test in the Testing Center at UMSL using the SmarterProctoring tool in your Canvas course.

For more details on the technical requirements for remote proctoring and other frequently asked questions, see the Getting Started page, System Requirements, and SmarterProctoring 2.0 Update Summary.

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: September 18–19 (Monday and Tuesday)
 - Chapters 1, 2, 3, and 4
- Exam 2: October 23–24 (Monday and Tuesday)
 - Chapters 5, 6, 7, 8, and 9

Exam 3 will be made available after the last class of Week 13 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: November 15 – December 15
 - Chapters 10, 11, 12, and 13

Group Project:

The class will be divided into groups of up to five students for a semester-long project that focuses on applying the textbook material to a real-world company. After forming a group and selecting a company, students will be expected to work through general project tasks designed to explore various financial aspects of the company. These bi-weekly tasks are available in the Group Project Module and range from digging through financial statement information to more qualitative research into the projects that the company is pursuing.

Group Formation:

Students will have the opportunity to form their own groups during the first week of the semester. The Project Discussion Board contains additional guidance and a place to discuss potential companies to examine. At the end of the first week (Sunday night), any students without a group will be randomly assigned a spot in a group.

Group Leaders/Meetings:

Each group will select a leader, who will be responsible for coordinating and scheduling group meetings as well as the presentation. It is recommended that each group attempt to meet at least once per week to keep up with the project expectations. Then 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.

In the Group Project Module, there are several pages of bi-weekly project tasks that each group is expected to complete for their chosen company. However, when it comes to the report and presentation, groups SHOULD NOT just give their answers to the questions posed in those tasks. The expectation for the project is for each group to identify 4–6 interesting financial observations (or key points) to dive deeper into and become the primary focus of the report and presentation. In other words, not everything from the project tasks needs to end up in the final report. What makes for interesting key points will depend on the company selected, as well as the interests of the students in the group. It is strongly recommended that each group meet with the instructor throughout the semester to discuss these key points.

Project Deadlines:

Each group must submit their final report and presentation resources by the end of Week 14 (11/26). This is the end of Thanksgiving Break, so plan accordingly. For the report, this should be the final draft. However, for the presentation resources, groups can upload a link to the resources, which allows for continued editing up to the presentation time.

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)
≥ 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.

Feedback:

Exams, practice quizzes, and problem sets are all automatically graded in McGraw-Hill Connect. There is also automated feedback, which is immediate for practice quizzes and problem sets. However, detailed exam feedback will be restricted until after the deadline. Beyond this automated feedback, the extra credit opportunities during office hours provide another way to share your work and receive feedback. If you are unable to attend office hours, I encourage you to reach out via email to receive direct feedback as well.

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
Week 1 (8/21–27)	<ul style="list-style-type: none"> • Review Syllabus • Discuss Chapter 1 • Split into <u>Groups</u> 	<ul style="list-style-type: none"> • Pick company and meet with group • Plan out a tentative meeting schedule for remainder of semester (ex. frequency, schedules, platform, etc.)
Week 2 (8/28–9/3)	<ul style="list-style-type: none"> • Discuss Chapter 2 	<ul style="list-style-type: none"> • Access and begin reading your company's most recent annual report • Finish completing <u>Groups</u> column • Outline the remainder of the project
Week 3 (9/4–9/10) *Labor Day Holiday: 9/4	<ul style="list-style-type: none"> • Discuss Chapter 3 	
Week 4 (9/11–17)	<ul style="list-style-type: none"> • Discuss Chapter 4 	<ul style="list-style-type: none"> • Summarize financial statements • Management structure (C-Suite Execs.) • Short-term and long-term focuses
Week 5 (9/18–24) *Exam 1: 9/18–19	<ul style="list-style-type: none"> • Discuss Chapter 5 	
Week 6 (9/25–10/1)	<ul style="list-style-type: none"> • Discuss Chapter 6 	<ul style="list-style-type: none"> • Focus in on the company's liabilities • When do bonds mature? Plot out the maturity structure over time • What are the coupon rates? Do they trade at discount or premium?
Week 7 (10/2–8)	<ul style="list-style-type: none"> • Discuss Chapter 7 	
Week 8 (10/9–15)	<ul style="list-style-type: none"> • Discuss Chapter 8 	<ul style="list-style-type: none"> • 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 9 (10/16–22) *Fall Break: 10/19–22	<ul style="list-style-type: none"> • Discuss Chapter 9 	
Week 10 (10/23–29) *Exam 2: 10/23–24	<ul style="list-style-type: none"> • Discuss Chapter 10 	<ul style="list-style-type: none"> • 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 11 (10/30–11/5)	<ul style="list-style-type: none"> • Discuss Chapter 11 	

Week 12 (11/6–12)	<ul style="list-style-type: none"> • Discuss Chapter 12 	<ul style="list-style-type: none"> • Examine the historical stock prices. • What is the average daily return?
Week 13 (11/13-19) *Exam 3 opens 11/15	<ul style="list-style-type: none"> • Discuss Chapter 13 	<ul style="list-style-type: none"> • What is the return volatility? • What is the Sharpe ratio? • How do these all relate to the Security Market Line?
Week 14 (11/20–26) *Projects Due: 11/26	Thanksgiving Break	
Week 15 (11/27–12/3)	Group Presentations	
Week 16 (12/4–10) *Classes End: 12/9 @5PM	Group Presentations	
Week 17 (12/11–17) *Exam 3 Due: 12/15 *Semester Ends: 12/16 EOD	Finals Week	