

# University of Missouri–St. Louis

*College of Business Administration*

**Finance 3500 – Financial Management**

**Spring 2024 – Section 005**

**Anheuser-Busch Hall - 00002**

**Course Instructor:** David Beverly  
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**Weekly Office Hours:** M/W from 12:30 PM–1:30PM, 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 September 6, 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 August 8, 2022.

Your AutoAccess course may have a Print Upgrade available as an additional purchase. This is a low-cost version of the printed text made available by the publisher at a reduced cost. It is the publisher’s requirement that in order to purchase the additional print, you must be opted in for the AutoAccess digital required material. If you have questions about Print Upgrades and opting out, please contact us at [autoaccess.umsltritonstore.com](http://autoaccess.umsltritonstore.com).

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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 in-person class sessions. 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 facilitate the class discussions.
<b>Attendance:</b>	Attendance and participation in the live meetings are not mandatory or graded, but they are strongly encouraged.
<b>Grading:</b>	<p>The grading for the course will follow the standard +/- grading scale. Across the three exams and the group project. 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: 100 points (70 points final paper, 10 points x 3 checkpoints) = 30% of final grade</li><li>• Pilot program – Student Professional Development Program, Professional Skills Development = 10% of final grade</li></ul>

**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 [full SmarterProctoring Instructions](#).

**Exam Schedule:**

Exams 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 12 - 13 (Monday and Tuesday)
  - Chapters 1, 2, 3, and 4
- Exam 2: March 18 - 19 (Monday and Tuesday)
  - Chapters 5, 6, 7, 8, and 9
- Exam 3: May 06 - 07 (Monday and Tuesday)
  - Chapters 10, 11, 12, and 13

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- Group Project:** Students will be divided into groups of four ~ 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 is allowed only 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 communicating with the instructor. 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 a pdf report. More information will be provided in Canvas and through weekly videos on specifics for the project.

In the group project module of Canvas, 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, groups SHOULD NOT just give their answers to the questions posed in those tasks. The expectation for the project is for each group to analyze financial observations (or key points) and prepare a "report card" of the company. So, in other words, not everything from the project tasks needs to end up in the final product. 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 the project.

Feedback is provided once the report is submitted and additional points are available for making corrections. Thus, it is beneficial to turn the report in sooner rather than later.

## Project Grading

The grading for the semester-long project will be split across the pdf report and three intermediate checkpoint reports. These components will be graded on a 100 point scale with the report carrying the majority of the weight. 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: 70 % (Correctness of figures, readability, meaningful graphics/statistics, formatting, etc.)
- Checkpoint reports: 30 % (Completion of weekly tasks, 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.

**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 (01/16 – 01/21)</b>	<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 (01/22 – 01/28)</b>	<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> <li>• Outline the remainder of the project</li> </ul>
<b>Week 3 (01/29–02/04)</b>	<ul style="list-style-type: none"> <li>• Discuss Chapter 3</li> </ul>	
<b>Week 4 (02/05–02/11)</b>	<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> <li>• Short-term and long-term focuses</li> </ul>
<b>Week 5 (02/12–02/18)</b> <b>*Exam 1: 02/12 – 02/13</b>	<ul style="list-style-type: none"> <li>• Discuss Chapter 5</li> </ul>	
<b>Week 6 (02/19–02/25)</b>	<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> <li>• What are the coupon rates? Do they trade at discount or premium?</li> </ul>
<b>Week 7 (02/26–03/03)</b>	<ul style="list-style-type: none"> <li>• Discuss Chapter 7</li> </ul>	
<b>Week 8 (03/04–03/10)</b>	<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> <li>• How often are dividends? How much?</li> <li>• What does stock price say about the cost of equity?</li> </ul>
<b>Week 9 (03/11–03/17)</b>	<ul style="list-style-type: none"> <li>• Discuss Chapter 9</li> </ul>	
<b>Week 10 (03/18-03/24)</b> <b>*Exam 2: 03/18-03/19</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> <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 11 (04/01–04/07)</b>	<ul style="list-style-type: none"> <li>• Discuss Chapter 11</li> </ul>	

<b>Week 12 (04/08-04/14)</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> </ul>
<b>Week 13 (04/15-04/21)</b>	<ul style="list-style-type: none"> <li>• Discuss Chapter 13</li> </ul>	<ul style="list-style-type: none"> <li>• What is the return volatility?</li> <li>• What is the Sharpe ratio?</li> <li>• How do these all relate to the Security Market Line?</li> </ul>
<b>Week 14-16 (04/22 – 05/12)</b> <b>*Exam 3: 05/06-05/07</b> <b>*Projects Due: 05/03</b>	<b>Remaining time in semester will be used for Project Report Corrections</b>	