

Financial Management, FIN3500
College of Business Administration, UMSL

M/W 2-3:15pm
ABH 005

Gaiyan Zhang, Ph.D.
zhangga@umsl.edu
Office: ABH 235

Welcome

Welcome to our FIN3500 Financial Management class! This course will introduce you to the fundamental tools and theories of corporate financial decision-making.

UMSL Bulletin Description:

This course provides an in-depth analysis of corporate finance including asset pricing, risk and return, short- and long-term investment decisions, capital structure choices, dividend policy, derivatives, mergers and acquisitions, and a host of other current topics. The material is taught through lectures and problem solving. (Prerequisites: ACCTNG 5400 or ACCTNG 2400, SCMA 5300 or SCMA 3300, and BUS AD 5000 or ECON 1001 and ECON 1002.)

Instructor Bio

I hold a Ph.D. from the University of California at Irvine, a M.S. degree in Finance from Fudan University, China and a B.A. degree in Finance from Nankai University. At the University of Missouri- St. Louis, I was an Assistant Professor from 2005 to 2011, an Associate Professor from 2011 to 2016, and a Professor of Finance since 2016. I was promoted to Curators' Distinguished Professor of Finance in 2022.

My teaching and research interests include financial management, international financial management, credit risk and financial contagion, Credit Default Swaps (CDS), and financial institutions. I have over 40 scholarly publications and book chapters in leading finance, management and international business journals such as *Journal of Finance*, *Journal of Financial Economics*, *Journal of International Business Studies*, *Review of Finance*, *Journal of Management Studies*, *Journal of Financial Intermediation*, *Journal of Money, Credit and Banking*, *Journal of Financial Markets*, *Journal of Banking and Finance*, *Financial Management*, *Journal of Empirical Finance* and *Journal of International Money and Finance*,

among others. I won the Chancellor's Award for Excellence in Research and Creativity, the Anheuser-Bush Award for Excellence in Teaching, and the Douglas E. Durand Award for Research Excellence at University of Missouri – St. Louis. I was ranked top 43 among 1400 finance faculty nationwide in terms of productivity in 2014. My google scholar citation is over 3300. I received various research grants from the Federal Deposit Insurance Corporation (FDIC) Center for Financial Research, Research Grants Council of Hong Kong, University of Missouri – St. Louis, University of California at Irvine, Fudan University, etc. Her papers were presented at many conferences, including the most prestigious academic conferences (National Bureau of Economic Research, American Finance Association Conference and Western Finance Association Conference). I was invited to speak at high-profile regulatory institutions and agencies in the US and abroad, such as FDIC, US Comptroller of the Currency (OCC), Federal Reserve Banks, American Bankruptcy Institute, European Central Bank, Bank of Canada, Canadian Deposit Insurance Corporation (CDIC), and Bank of Finland. I served as a referee for 40 journals and grants in the U.S. and abroad. I am married with two boys and a girl.

Course Objective:

This is an introductory finance course. The primary purpose of this course is to examine the process of valuation of real and financial assets by focusing on application of concepts and analytical problem-solving techniques. We will investigate important issues facing corporations, including Capital Budgeting (investment decisions) and Capital Structure and Dividend Policy (financing decisions), as well as related topics including time value of money, the NPV rule, valuation of bonds and stocks, measuring and pricing of risk (CAPM), the application of CAPM to project selection, and capital market efficiency, etc. Besides covering basic tools and techniques, the class stresses the role of the financial manager in analysis and decision-making. Conceptual skills for lifelong learning experiences are emphasized. This course employs a lecture with discussions, exercises, quizzes, and exams.

The overall goal is teaching you to “think financially”. Students are expected to achieve the following course goals:

- Students will have a solid understanding of foundation in financial principles (agency problems, time value of money, risk and return tradeoff, valuation, capital budgeting, cost of capital, capital structure, dividend policy, etc.)
- Students will develop analytical and problem-solving skills. You will be able to apply relevant mathematical formulas, theoretical models and statistical techniques to conduct financial analysis. You will be comfortable with the use of financial calculators and understand the formulas that are programmed into the calculators.
- Students will understand financial markets and the environment within which companies must compete, obtain resources, and make investment decisions.
- Students will be able to use financial concepts and principles to make an overall

assessment and analysis of the financial condition and performance of a corporation, compare costs and benefits associated with various types of decisions, analyze financial decisions to choose the “best” course of action, and weave that into a prediction for the future success of the company.

Required Text:

Corporate Finance, 13th Edition, by Stephen A. Ross, Randolph W. Westerfield, Jeffrey Jaffe and Bradford Jordan, Irwin McGraw-Hill (ISBN: 9781265262310)

You may access our e-textbook via the course navigation menu in Canvas. The menu item is labeled *VS Materials*.

Your student account will be charged for the cost of the digital course material. The lowest cost content has been sourced. You will be sent an AutoAccess Welcome Email that will provide charge amounts, the opt-out DEADLINE DATE and any additional information needed for your AutoAccess course(s).

If you have any questions please contact the Triton Store 314-516-5763, email autoaccess@umsl.edu or visit autoaccess.umsltritonstore.com.

Required:

A financial calculator (HP12C) is required. You will need the calculator for class, exercises and quizzes. We will learn some functions such as: Time value of money basics, Bond prices and yields, Interest rate conversions, Cash flow analysis – NPV, Cash flow analysis – IRR. You may use other financial calculators that have the same functions. But you are responsible for learning their functions using the manual on your own.

For illustration purpose, I will use the following financial calculator emulator:

<https://stendec.io/ctb/hp12c-platinum.html>

Recommended Readings:

Regular outside readings will enhance the understanding of the subject, and it is highly recommended. Students are encouraged to read the following regularly:

Newspapers: *The Wall Street Journal*; *New York Times*; *BusinessWeek*; *Financial Times*

Magazines: *The Economists*; *Euromoney*; *Business Week*; *The Far Eastern Economic Review*

UMSL has purchased campus subscriptions for both *the Wall Street Journal* and *the New York Times*

Instructions to log in using your UMSL information can be found [here](#). It can easily be accessed via computers, phones & tablets.

Course Page:

We will be providing all course related items (syllabus, lecture notes, assignments, announcements etc.) on [Canvas](#).

Time Requirements:

This course requires you to read the required materials, watch the narrated PPT lectures, and complete the assignments. That means that you need to plan to spend a minimum of 6 hours every week (up to 10 hours a week) on activities related to this course.

Technology Requirements:

You are expected to have reliable internet access. If you have computer problems, it is your responsibility to address these 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, Google Chrome, Mozilla Firefox)
3. Ability to navigate Canvas
4. DSL or Cable internet connection or a connection speed no less than 6 mbps.
5. Media player such as VLC Media Player.
6. [Adobe Flash player \(free\)](#)
7. [Adobe Reader or alternative PDF reader \(free\)](#)
8. [Oracle Java plugin \(free\)](#)
9. [Microsoft Silverlight plugin \(free\)](#)

How this course works:

This course is divided into eight modules. You are expected to read the textbook, attend the classes, and complete assignments. The Overview page at the beginning of each module will give you an outline of the activities you need to complete. You'll learn that there is a rhythm and a wide range of time during which you can complete those activities, as I know you have a complicated work/life schedule already. Please plan to complete assignments as early as you can, though, to allow for any complications you may encounter submitting your work.

Instructional methods used in this course include lectures, discussions, quizzes and exams. Expect responses to your email within 48 hours, though I usually respond within 24 hours.

Course Policies:

Participation (expectations)

It is vitally important that our classroom environment promote the respectful exchange of ideas. This entails being sensitive to the views and beliefs expressed during discussions.

- Your success in this course will heavily depend on your ability to communicate, engage and participate in all course activities. Successful completion of this course requires that a student keep up with all coursework, assignments and discussions. If you are unable to participate in the scheduled class activity or discussions you must notify the instructor within the week of that class module or discussion. **An unexcused failure to engage or participate with the class will be counted as an absence; unexcused absences may result in failure.** The instructor reserves the right to make judgment to accept and/or make-up assignments missed because of failed participation in the course activities.

Grades:

There are two exams in this course. Each of the main topic covered is associated with a module. The modules will include textbook readings, narrated PPT lectures, discussions, quizzes, and exams. Each graded item has the following assigned points.

Types	Percentage
Module 1 Discussion: Introduce yourself	5%
Module 1 Assignment	5%
Module 2 Assignment	5%
Module 3 Assignment	5%
Module 4 Assignment	5%
Midterm Exam	23%
Module 5 Assignment	5%
Module 6 Assignment	5%
Module 7 Assignment	5%
Discussion	5%
Final Exam	24%
Participation	8%
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Total	100%
Extra credit	
Midterm exam note sheet	1%
Final exam note sheet	1%
Teaching evaluation	1%
Extra credit project	(up to) 5%

GRADING SCALE

Grade	Percentage
A range	93-100
A- range	90-92
B+ range	87-89
B range	83-86
B range	80-82
C+ range	77-79
C range	73-76
C- range	70-72
D range	60-69

Letter grades will be based on the final total points. Plus and minus grades will be given. In marginal cases I intend to reward high quality (consistent, constructive and contributory) class participation.

"Make-up or extra work" to improve your grade is *not* possible. Your final letter grade is determined solely by your scores on the tests, the course project, and my evaluation of your class participation. No special considerations concerning your general academic situation can be offered. The final grade in the course, once assigned, will not be changed except in the event of a recording error.

Quizzes and discussion:

There will be seven assignments and two discussions. You are expected to receive your grades for assignments **in a week** or shorter after the due day.

How to Succeed in This Course

After you listen to the lecture, you should have a comfortable understanding of the major points that we made, and the purpose of each example worked.

After class, do the detailed reading of the chapter. Pay particular attention to the examples, graphs and other aids that make the major points of the chapter. Then, attempt the questions and problems that I assign. Regular readings each week is important.

Ask yourself such questions as:

What is the purpose of this concept or formula?

Why is it important?

How does the instructor or the author demonstrate its importance?

How does it "fit" with what you have studied thus far in this course, in your other courses and in the real world?

Some topics that are very important are covered in great detail, while others will only be reviewed briefly due to time constraint. The Powerpoint slides and my audio-recorded comments contain important points in this course. Use them as a guide for your studying efforts. You should thoroughly work through the questions and problems associated with each topic. Working the problems ensure you truly understand the processes they illustrate.

Academic Integrity/Plagiarism

Our conduct in this course will be consistent with the Student Conduct Code. Please read it and pay particular attention to the section on academic honesty. There are serious consequences including failing grade and additional sanctions for engaging in unethical conduct.

- You are responsible for being attentive to and observant of University policies about academic honesty as stated in the University’s Campus Policies and Procedures in the [Triton Manual](#) (p. 30)
 - Academic dishonesty is a serious offense that may lead to probation, suspension, or dismissal from the University. One form of academic dishonesty is plagiarism – the use of an author's ideas, statements, or approaches without crediting the source. Academic dishonesty also includes such acts as cheating by using any unauthorized sources of information and providing or receiving unauthorized assistance on any form of academic work or engaging in any behavior specifically prohibited by the faculty member (e.g., copying someone else’s answers on tests and quizzes). Unauthorized possession or distribution of academic materials is another type of academic misconduct. It includes the unauthorized use, selling or purchasing of examinations or other academic work, using or stealing another student’s work, unauthorized entry or use of material in a computer file, and using information from or possessing exams that an instructor did not authorize for release to students. Falsification is any untruth, either verbal or written, in one’s academic work. Facilitation is knowingly assisting another to commit an act of academic misconduct.
Plagiarism, cheating, and falsification are not acceptable.
 - All instances of academic dishonesty will be reported to the Office of Academic Affairs who will determine whether you will appear before the Student Conduct Committee for possible administrative sanctions such as dismissal from the university. The instructor will make an academic judgment about the student’s grade on that work in this course. The campus process regarding academic dishonesty is [described in the “Policies” section of the Academic Affairs website.](#)

Access, Disability and Communication

Your academic success is important. If you have a documented disability that may have an impact upon your work in this class, please contact Disability Access Services (DAS)

immediately. Students must provide documentation of their disability to the office of Disability Access Services in order to receive official University services and accommodations. The staff is available to answer questions regarding accommodations or assist you in your pursuit of accommodations. Information about your disability is confidential. Once DAS reviews your medical documentation, they will provide you with the information and steps to inform me about the accommodations to which you are entitled. Your accommodations will begin as soon as we discuss your approved accommodations.

- 144 Millennium Student Center
- Phone: (314) 516-6554
- [Email](#)
- [Website](#)

Resources

Technical Support

If you are having difficulty with a technology tool in Canvas, consider visiting the [Canvas Student Guides](#), which has overviews of each tool and tutorials on how to use them.

VoiceThread

- [Online Contact Form](#)
- [Website](#)

Academic Support

The Online Writing Center

At the OWC Canvas site, students can send their papers to our tutors, who will read them and send them back with suggestions. Students can also access Turnitin, which identifies quoted material in their essays.

- 222 Social Sciences and Business Building (SSB)
- [Website](#)
- Visit the OWC page on Canvas to submit drafts online.
- The OWC usually responds within 48 hours. Please allow ample time.

Math Academic Center (Math Lab)

The Math Academic Center offers free individual assistance on a walk-in basis to students

needing help with any mathematics from basic math through calculus or any course involving mathematical skills.

- 222 Social Sciences and Business Building (SSB)
- [Website](#)

Course Schedule Outline

(subject to modification at the discretion of the instructor)

Module #	Lectures	Readings	Assignments
Module 1:	Lecture 1: Introduction Lecture 2: Financial Statements and Ratio Analysis	Chapter 1, 2, 3	Discussion: Introduce yourself; Module 1 Quiz
Module 2:	Lecture 3: Time Value of Money Lecture 4: Financial Calculator	Chapter 4, Financial Calculator User's Manual	Module 2 Quiz
Module 3:	Lecture 5: NPV and other Investment Criteria Lecture 6: Making Capital Investment Decisions	Chapter 5, 6	Module 3 Quiz
Module 4:	Lecture 7: Valuation of Bonds Lecture 8: Valuation of Stocks	Chapter 8, 9	Module 4 Quiz
	Midterm Exam		
Module 5:	Lecture 9: Risk and Return Lecture 10: Portfolio Theory & CAPM	Chapter 10, 11	Module 5 Quiz
Module 6:	Lecture 11: Risk, Cost of Capital, and Capital Budgeting Lecture 12: Market Efficiency	Chapter 13, 14	Module 6 Quiz
Module 7:	Lecture 12: Capital Structure Lecture 13: Dividend Policy	Chapter 15,16, 17, 19	Module 7 Quiz
Module 8:	Final Exam		Module 8 Discussion Final Exam