

**THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO
BRYAN SCHOOL OF BUSINESS AND ECONOMICS**

MBA 707: Financial Management

Spring 2019

Instructor:	Dr. Hunter An
Classroom:	BRYN 204 (2 pm – 4:50 pm Thursdays)
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Office Hours	Thursday: 4:45-5:45 p.m. and by appointments

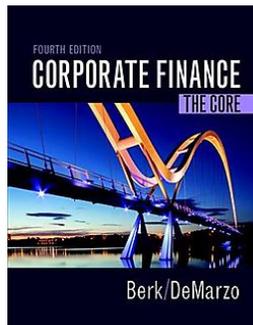
PREREQUISITES: MBA 701 (Quantitative Analysis for Decision Making); MBA 702 (Financial and Managerial Accounting); MBA 703 (Economic Environment of the Firm)

OVERALL COURSE OBJECTIVES: Financial decision-making; topics include time value of money, risk and return, valuation of securities, financial options, cost of capital, capital budgeting, working capital policy, financing decisions.

LEARNING OUTCOME:

1. To state the major stakeholders in the modern corporation, describe how the interests of the stockholders in a firm may be in conflict with other stakeholders, and the role of ethics;
2. To understand the economic context and environment where decisions are made by business leadership and management;
3. To further students' understand and the interpretation of financial statements;
4. To solve time value of money problems (TVM) and be ready to apply TVM techniques in the work environment including to bond and stock valuation;
5. To identify the risk and return characteristics of financial securities, compare these characteristics and perform data analysis and interpretation;
6. To recognize financial options and apply option principles to other firm settings;
7. To apply risk and return estimation methodologies, including to the valuation of equity and debt claims and the firm's cost of capital;
8. To identify relevant incremental cash flows, and apply capital budgeting techniques to these cash flows;
9. To contrast working capital policies in terms of risk and profitability;
10. To evaluate financing alternatives and the financial structure of the firm.

COURSE MATERIALS:



1. **Corporate Finance: The Core** by Berk and DeMarzo, published by Pearson, 4th edition, 2016.
Both the book and MyLab Finance are required. You have (at least) 2 options to purchase both in a bundle:
 - a. A hardcover text Plus MyLab Finance with eText bundle (ISBN: 9780134409276).
 - b. An eText and MyLab Finance bundle (ISBN: 9780134202914).

Instead of a bundle, you can purchase the textbook by itself and then purchase MyLab Finance separately. The ISBN for the hardcover text is 9780134202648 (book only). You can purchase the MyLab Finance access code separately when you register for MyLab Finance as described below. The publisher's website has all the options and corresponding ISBNs:

<http://www.mypearsonstore.com/bookstore/corporate-finance-the-core-0134202643>

2. MyLab Finance (required).

Each student must have access to Pearson's MyLab Finance product which you will be required to use to submit graded homework assignments. Student must register for this course in MyLab Finance **within 2 weeks** after the semester starts. **Your first and last names must be exactly the same in both Canvas and MyLab Finance.** (Work completed with the temporary access may be lost once the temporary access expires).

To register for MyLab Finance:

i. MyLab Finance is embedded in Canvas. Log in to Canvas first, and then go to this course **MBA 707**: click "MyLab and Mastering" in the menu (on the left), and then click "MyLab Finance Course Home" to begin the registration process.

ii. Sign in with your Pearson account:

a. If this is your first time to take a Pearson MyLab or Mastering course linked to Canvas, you will be prompted to login with your Pearson account. Enter the username and password if you have a Pearson account. If you don't have a Pearson account, create a new Pearson account. Make sure both your first and last names are exactly the same as in Canvas. Then go directly to step iii.

b. If you have previously taken a Pearson MyLab or Mastering course linked to Canvas, you will not be prompted to login and you will be asked to enter your access code (see step iii)

iii. When prompted for access,

a. click the **Access Code** button if you purchased a bundle with an access code

OR

b. **purchase the access code** using a credit card or PayPal.

iv. You are now registered! Click "Go to your course" to access your MyLab Finance.

To access MyLab Finance later: click "MyLab and Mastering" in the Canvas menu.

3. **Wall Street Journal** (highly recommended). Student rate is \$4 per month with full access to WSJ.com, Smartphone and Tablet editions. You can cancel at any time. To get the student rate, please use my referral link below.

<http://r.wsj.net/r/44204528>

4. Syllabus and lecture PowerPoint slides are posted in Canvas.

PERFORMANCE EVALUATION:

1. **Homework:** Homework accounts for 25% of your total grade. You need complete the homework assigned on MyLab Finance before the due date, and it will be graded. You can try unlimited times for each homework (before the due date), and only the highest grade will be taken. **There will be no extension of deadlines or make-up on graded homework.**

Doing homework consistently is an absolute must for success in this course. You will find the course much easier if you keep up with the homework as it is assigned rather than leaving it all until a night or two before the test. I am a firm believer that you "learn by doing". Therefore, the course has been designed with assignments throughout the semester so that you are motivated to keep.

2. **Quizzes:** Quizzes are given in class throughout the semester, and may **not be announced in advance**. Material covered may include newly assigned material as well as recently discussed topics. Because your two lowest quiz scores will be dropped, there will be **no make-up for any missed quiz.**

3. **Exams:** The exams will be done in Canvas. So please bring your laptop for exam (no iPad, phones, etc.). The exams will be proctored in class. Your laptop screen can only be the exam page or Excel. Anything else is considered cheating. The first two exams will be 75 minutes and they will be the latter half of the class.

Exam 1: February 7 (Tentative)

Exam 2: March 22 (Tentative)

Final exam: Thursday, May 9, 3:30-6:30 p.m.

There are no makeup exams. In the event you miss an exam for medical circumstances, you must notify me prior the scheduled exam and provide me with a note from a physician. I will determine whether to consider the absence excused or unexcused and follow University policy. If the written verification is provided, the weight attributable to a missed exam will be allocated to the comprehensive final exam. Exam questions will not be released to students after the exam.

GRADING:

All grade appeals must be in writing and submitted to me within one week of the time the grade is posted. No late appeals will be considered. Adherence to the Academic Integrity Policy is expected and required of all students for all exams and assignments. Failure to abide by this policy will result in disciplinary action. Details of the Academic Integrity Policy are available at <http://saf.dept.uncg.edu/studiscp/Manual.html>.

Your grade will be determined based on the following:

Homework	25%
Quizzes	15%
Exams 1	20%
Exams 2	20%
Final Exam	20%

The grading scale is as follows:

A	92% and above
A-	90 – 91.99%
B+	88 – 89.99%
B	82 -87.99%
B-	80 – 81.99%
C+	78 – 79.99%
C	70 – 77.99%
F	< 70%

ADMINISTRATIVE MATTERS:

a. Student Conduct: Students are expected to arriving for class on time, remaining in class for its duration, and doing absolutely nothing during class that is disruptive or detracts from the learning experience of others. If a student is notified of disruptive behaviors more than once, **the overall course grade of the disruptive student will be reduced by one full letter grade.** If the conduct continues, the instructors reserve the right to ask the student to leave and drop any student disrupting this class from the class. For an overview of specific University and Bryan School policies, please see the following links:

<http://studentconduct.uncg.edu/policy/code/>
www.uncg.edu/bae/faculty_student_guidelines.pdf

b. Student Disabilities: All students with a disability requesting special services must go through the Office of Disabilities Services. If you are requesting special accommodations, please bring your paper work from Disability Services directly to me the first week of class. All such information will be held in confidence. The web link to this office is <http://ods.dept.uncg.edu/services/>.

c. No credit can be given for a dishonest assignment. At the discretion of the instructor, a student caught engaging in any form of academic dishonesty may be:

- Given a zero for that assignment.
- Dropped from the course.
- Failed in the course.
- Dropped from the school.

TOPICS TO BE COVERED

PART 1: INTRODUCTION

1. The Corporation
2. Introduction to Financial Statement Analysis
3. Financial Decision Making and the Law of One Price

PART 2: TIME, MONEY, AND INTEREST RATES

4. The Time Value of Money
5. Interest Rates
6. Valuing Bonds

PART 3: VALUING PROJECTS AND FIRMS

7. Investment Decision Rules
9. Valuing Stocks

PART 4: RISK AND RETURN

10. Capital Markets and the Pricing of Risk
11. Optimal Portfolio Choice and the Capital Asset Pricing Model
12. Estimating the Cost of Capital
13. Investor Behavior and Capital Market Efficiency*

* If time permits