

AUGSBURG COLLEGE

FIN 331

FINANCIAL MANAGEMENT

Spring 2008

Professor: John Molloy
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CLASS: Saturday 8 am to Noon

Office Hours: by appointment

Course Pre-requisites: Econ 112 or 113, ACC 221, and MPG 3

Course Rationale: A business firm today needs expertise in Accounting, Finance, Marketing, Management, Information Technology and Economics, in order to survive successfully. An individual or a family also requires some tools to successfully manage their personal finances. This course, a core requirement for all Business Majors, is an introduction to Fundamentals of Financial Management. The concepts and analytical tools in the course are discussed basically with reference to the business world, but many are also applicable to personal financial management. Upon completion of the course, you will understand the financial environment in which a business firm operates, and the assumptions, tools and techniques used in financial decision making.

Text: **Required:** **Essentials of Corporate Finance**, 6th Edition, Ross, Westerfield, Jordan, Irwin McGraw Hill, 2008.

This is a difficult, highly quantitative course and requires heavy use of algebra. If you consider yourself deficient in solving equations, take the time brush up on algebra. The text suggests the use of a financial calculator for problem solving. This is a good idea since many of the homework problems can be solved more easily this way.

***** A Financial Calculator known as Texas Instrument BA II Plus is required.*****

Attendance: Regular class attendance is required. Since there will be a significant amount of discussion about concepts and problems in class, attendance is very important to success in the class. You must complete the work for a missed class on your own.

Academic Honesty: It is assumed that the student has read and understood the Augsburg College Academic Honesty Policy. The policy will be strictly enforced.

Evaluation Criteria (subject to adjustment...in your favor):

4.0	Achieves the highest standards of excellence	92% or more
3.5		87% - 91%
3.0	Achieves above basic course standards	82% - 86%
2.5		77% - 81%
2.0	Meets basic standards of the course	72% - 76%
1.5		67% - 71%
1.0	Performance below course standards	62% - 66%
0.5		57% - 61%
0.0	Unacceptable performance for course credit	Below 57%

Evaluation Methods:

Evaluation Tool	Points
Two Midterms (60 points/midterm)	120
Homework	30
Final Exam	100
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Total	250

Course Outline, Homework and Exams:

Problem will be assigned to emphasize concepts students are expected to understand for the examination and this class. For each chapter you should read the assigned chapters. In class we will focus on text materials and problems that you find difficult to understand on your own.

<u>Date</u>	<u>Class Discussion</u>	<u>Assignment</u>
4/12/2008	Introduction/Class overview Chapter 2 - Financial Statements, Taxes, Cash Flow Chapter 3 - Working with Financial Statements Chapter 4 - Introduction to Valuation: Time Value of Money Chapter 5 - Discounted Cash Flow Valuation	Problems: 34 & 35 Problems: 6,7,9,11-13,15,18-20 Problems: 3,6,10,14,28,35,49,55
4/26/2008	Review Homework (chapters 3 through 5) Chapter 6 - Interest Rates and Bond Valuation Chapter 7 - Equity Markets and Stock Valuation	Problems: 2-8,10,11 Problems: 2-5,8,12,13,15,16
5/10/2008	Exam #1 (Chapters 2 through 5) Chapter 8 - Net Present Value and Other Investment Criteria Chapter 9 - Making Capital Investment Decisions	Problems: 2,5-7,10(a&b only),13,14 Problems: 2,4,6,9,13-15
5/17/2008	Review Homework (chapters 6 through 9) Chapter 10 - Some Lessons from Capital Market History Chapter 11 - Risk and Return	Problems: 1,2,4,5,9,10,12,17,21,23 Problems: 2,7,11,13,15-16,19,20
5/31/2008	Exam #2 (Chapters 6 through 9) Chapter 12 - Cost of Capital Chapter 13 - Leverage and Capital Structure	Problems: 2,7,9,11,15,17 Problems: 1,2,4,5,10,11,14
6/7/2008	Review Homework (chapters 10 through 13) Chapter 14 - Dividend and Dividend Policy Chapter 16 - Short-Term Financial Planning	Problems: 1,2,3,6,7 Problems: 6
6/20/2008	Final Exam	