

AUGSBURG COLLEGE

FIN 331

FINANCIAL MANAGEMENT

Winter 2008

Professor: Dr. Marc McIntosh Dept. of Business Administration
Office: 322A Memorial Hall e-mail: mcintosh@augsburg.edu

CLASS: WEC – Friday Evenings 6-10 pm

Office Hours: Up to one hour after class and 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. You must at least have a calculator that can handle exponentials. A Financial Calculator such as Texas Instrument BA II Plus or HPC12 is highly recommended.

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. Students will be penalized a point for participation for every class period missed.

Policy on Missed Exams:

Students who will be missing an exam will need to communicate this to the professor a week in advance. If properly communicated an alternative time can be scheduled (this should be related to a medical or family emergency). If the appropriate communication is not used, the student will need to drop the exam. Students missing more than one exam will be encouraged to drop the class.

Internet: Text Web site: <http://www.mhhe.com/rwj>

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:

- 4.0 Achieves the highest standards of excellence
- 3.5
- 3.0 Achieves above basic course standards
- 2.5
- 2.0 Meets basic standards of the course
- 1.5
- 1.0 Performance below course standards
- 0.5
- 0.0 Unacceptable performance for course credit

Evaluation Methods:

Evaluation Tool	Points
Three Exams (50 points/exam)	150
Homework (5 points each)	50
Attendance/Participation	50
Extra Credit Project	
Total	250

Course Outline, Homework and Exams:

Problem sets 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>Week of</u>	<u>Topics</u>	<u>Problems</u>
11-Jan	Introductions Ch. 1 Introduction to Financial Management Ch. 2 Financial Statements, Taxes and Cash Flow/Stanford Video	
25-Jan	Ch. 3 Working with Financial Statements HBS Case Colgate Palmolive HBS case Crystal Meadows	TBD
1-Feb	HBS Cases – Sears vs. Wal-Mart - & Case of the Unidentified Industries Chapter 6 Interest Rates and Bond Valuations Chapter 7 Equity Markets and Stock Valuation	TBD – EXAM 1
15-Feb	Chapter 10 Capital Market History Chapter 13 Leverage and Capital Structure Film/HBS Case American Home Products	TBD
29-Feb	Chapter 11 Risk and Return Chapter 12 Cost of Capital Chapter 15 Raising Capital	TBD - EXAM 2

14-March	Chapter 4 Time Value of Money Chapter 5 Discounted Cash Flow Valuation Chapter 8 Net Present Value and other Investment Criteria Chapter 9 Making Capital Investment Decisions HBS Cases – Ginny’s Restaurant & Lockheed Tri Star	TBD
28-March	Ch. 16 Short Term Financial Planning Ch. 17 Working Capital Management Chapter 14 Stock Repurchases and Dividend Policy Comprehensive Final Exam	TBD – EXAM 3