Instructor: Kiyoung Chang, Ph.D.
Office: SMC C221
Office Hours: Tue 4:30 – 5:45 P.M.; Wed 1:00 – 1:45 P.M.; Sat 11:00 – 11:30 A.M. and by appointment
Phone: 941-359-4359 (Office)
Email: chang1@sar.usf.edu
Course Web Site: Course web site can be accessed through CANVAS (https://my.usf.edu). Course syllabus, PowerPoint notes, and other important materials will be posted on CANVAS. Please check the site regularly and bring the needed material to class. Information on how to use Canvas is available at: http://www.usfsm.edu/infocommons/students.php

Last day to drop to receive a ‘W’ grade: March 21, 2015

Required Materials:
- **Calculator:** A Financial calculator is a necessity in this course. Make sure your calculator has net present value (NPV) and cash flow (CF) functions. I will not spend much time in class to review how to use financial calculators. e.g.) TI BAII PLUS, HP 10BII, and etc.
- **Course materials** are available on CANVAS. Additional handouts may be distributed in class.


Prerequisites: Principles of Finance (FIN 3403)

Course Description and Purpose:
Fin 4414 (3 credits): Following the beginning finance course, this course is designed to examine financial concepts in depth and to develop strategies that maximize value of the firm. Topics include financial forecasting, capital budgeting, capital structure analysis, mergers and acquisitions, financial instruments, lease financing, dividend policy, risk analysis, and etc. The purpose of this course is to introduce the concepts and theories underlying financial and investment decisions to students.
Course Learning Objectives:
This course is designed to provide fundamental concepts and tools applied in financial management decision making. Students will also improve their problem solving and analytical skills by using specific financial data to address financial management issues.

Course Learning Outcomes:
After taking this course, the student should be able to

- Understand the basic definitions of capital investments and capital budgeting.
- Understand the fundamentals of discounted cash flow and valuation.
- Understand how to evaluate competing investments under certainty and uncertainty.
- Understand the effects of taxes on capital investment analysis.
- Understand the fundamental concepts of the firm’s long-term financial decisions, such as the cost of capital, capital structure and dividend policy and their relevance to the value of the firm.
- Understand how to do lease analysis.
- Understand the value of real options in the firm’s investment decision.
- Demonstrate how to do sensitivity and scenario analyses.
- Understand why working capital is needed and how to manage working capital.
- Understand how mergers can create or destroy the value of the firm.

Techniques of Instruction:
Classes will consist of lecture, problem solving, and discussion. The lecture material will focus on the major points introduced in the text, but class lectures will sometimes go beyond the text. Therefore, it is to your advantage to attend class. **Class attendance is mandatory to achieve participation points. You are responsible for all announcements made in class—check with your classmates if you miss class.**

Grading:

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>HW:</td>
<td>80</td>
</tr>
<tr>
<td>Quiz:</td>
<td>80 (20 * 4)</td>
</tr>
<tr>
<td>Excel Test:</td>
<td>40</td>
</tr>
<tr>
<td>Exam 1:</td>
<td>150</td>
</tr>
<tr>
<td>Final Exam:</td>
<td>150</td>
</tr>
<tr>
<td>Total:</td>
<td>500</td>
</tr>
</tbody>
</table>

The following grading scale will be used:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>A+</td>
<td>98-100%</td>
</tr>
<tr>
<td>A</td>
<td>93-97.99</td>
</tr>
<tr>
<td>A-</td>
<td>90-92.99</td>
</tr>
<tr>
<td>B+</td>
<td>87-89.99</td>
</tr>
<tr>
<td>B</td>
<td>83-86.99</td>
</tr>
<tr>
<td>B-</td>
<td>80-82.99</td>
</tr>
<tr>
<td>C</td>
<td>70-79.99</td>
</tr>
<tr>
<td>D</td>
<td>60-69.99</td>
</tr>
<tr>
<td>F</td>
<td>Below 60</td>
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</tbody>
</table>

*** NO curve will be used in this class.***
Preparation for Class:
Each student is expected to come to every class session having read all the assigned material and having completed the homework assignment for that day (if any). Reading the assigned chapters and having some familiarity with them before class will greatly assist your understanding of the lecture. For the student to be successful in this course, it is imperative that he/she comes to each class meeting having thoroughly reviewed the material for that class. After my lecture, you should study your notes, handouts, and the suggested problems from the end of the chapters. It has been my experience that the following amount of time should be allotted for each item on the syllabus:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Preparation Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reading chapter</td>
<td>3 to 5 hours</td>
</tr>
<tr>
<td>Selected end of chapter problem solving</td>
<td>2 to 4 hours</td>
</tr>
<tr>
<td>Review lecture materials</td>
<td>1 to 3 hours</td>
</tr>
<tr>
<td>Excel Test</td>
<td>2 to 5 hours</td>
</tr>
</tbody>
</table>

Homework Assignments:
Homework assignments should be stapled and have a typewritten cover page with a course name, a student’s name, and assigned chapter #. All assignments are due at the beginning of the class meeting. Late homework will have 20% grade deducted if it is received within the due date. Beyond the due date, no late assignments will be graded. Grading will be based on accuracy or completion of the procedures and answers. You should show me all the procedures to earn full credits.

Quiz:
Four quizzes will be administered during the class time. Group and/or individual quiz will be administered. Grading will be based on accuracy of the procedures and answers. You should show me all the procedures to earn full credits except multiple choice questions. No makeup quiz will be available.

Excel Test:
You will have take-home tests using Excel software. Possible problems are sensitivity analysis using Data Table, simulation for capital budgeting, correlation and beta calculation, and financial planning, and etc.

Participation:
Participation grade is determined by how much you help class discussion and group project. No talking or talking too much without helping class discussion and class mates may hurt your participation grade. If you leave the class without my permission or you routinely come to class late, your participation point will be hurt. If you miss class more than two times I will downgrade your letter grade by three ranks (A to B; B to C, etc.).

Exam:
The exams will have multiple-choice/essay/problem style questions. The grading of essay/problem style questions will be based on accuracy of the procedures and answers. You should show me all the procedures to earn full credits. For multiple-choice questions, you will receive no partial credit. If you think the exam score you received is not correct, please notify me within 48 hours after I announce the exam score.
Exam schedule:
The examinations for this course are **tentatively** scheduled on the following dates:

1st Exam:       February 28th (Ch 2, Ch 7, Ch 12, Ch 16, and Ch 9)
Final Exam:     April 25th (Ch 15, Ch 10, Ch 11, Ch 26, Ch 22, and Ch 19)

- **Make-up Exam policy:**
  Make-up exams will only be given in emergency situations before the scheduled exam date. At my discretion, written documentation (evidence) proving the emergency will be requested. Emergencies would include university activities, serious medical reasons and/or family death. Emergencies do NOT include needing more time to prepare for an exam. If you do not get my permission prior to missing an exam, this will result in a grade of zero on the missed exam. Make-up exams for the final will not be available.

- **Incomplete Policy:**
  Incompletes will not be given in this course.

- **Class Lecture Notes/Tapes Policy:**
  Students are **not permitted** to sell notes or tapes of the class lectures.

- **COMPUTER LAPTOP USE**
  USFSM requires all students to have laptops that can be brought with them to class.

  _Students are invited to bring their laptops whenever they wish._

- **General Classroom Rules:**

  Rules are created to ensure that every student can have a best environment to learn and is treated fairly. General rules to obey in classroom:

  - No cell phone calling/answering
  - No text messaging
  - No packing before I declare class concludes
  - You should inform me in advance if you need to leave before the end of the class to avoid being treated as absence.

- **Things to remember!!!**

  The most common fatal mistake made by students in this course is to be lazy for the first few weeks and fall behind in the readings and assignments. Those students will be very surprised at their scores on the first exam. However, by that time it may be too late to recover from that mistake. **DO NOT MAKE THIS MISTAKE!**
USFSM AND USF SYSTEM POLICIES

A. **Academic Dishonesty**: The University considers any form of plagiarism or cheating on exams, projects, or papers to be unacceptable behavior. Please be sure to review the university’s policy in the USFSM Catalog, the USF System Academic Integrity of Students, and the USF System Student Code of Conduct.

B. **Academic Disruption**: The University does not tolerate behavior that disrupts the learning process. The policy for addressing academic disruption is included with Academic Dishonesty in the USFSM Catalog, USF System Academic Integrity of Students, and the USF System Student Code of Conduct.

C. **Contingency Plans**: In the event of an emergency, it may be necessary for USFSM to suspend normal operations. During this time, USFSM may opt to continue delivery of instruction through methods that include but are not limited to: Canvas, Elluminate, Skype, and email messaging and/or an alternate schedule. It’s the responsibility of the student to monitor Canvas site for each class for course specific communication, and the main USFSM and College websites, emails, and MoBull messages for important general information. The USF hotline at 1 (800) 992-4231 is updated with pre-recorded information during an emergency. See the Campus Police Website for further information.

D. **Disabilities Accommodation**: Students are responsible for registering with the Office of Students with Disabilities Services (SDS) in order to receive academic accommodations. Reasonable notice must be given to the SDS office (typically 5 working days) for accommodations to be arranged. It is the responsibility of the student to provide each instructor with a copy of the official Memo of Accommodation. Contact Information: Disability Coordinator, 941-359-4714, disabilityservices@sar.usf.edu, http://usfsm.edu/disability-services/

E. **Fire Alarm Instructions**: At the beginning of each semester please note the emergency exit maps posted in each classroom. These signs are marked with the primary evacuation route (red) and secondary evacuation route (orange) in case the building needs to be evacuated. See Emergency Evacuation Procedures.

F. **Religious Observances**: USFSM recognizes the right of students and faculty to observe major religious holidays. Students who anticipate the necessity of being absent from class for a major religious observance must provide notice of the date(s) to the instructor, in writing, by the second week of classes. Instructors canceling class for a religious observance should have this stated in the syllabus with an appropriate alternative assignment.

G. **Sexual Misconduct/Sexual Harassment Reporting**: USFSM is committed to providing an environment free from sex discrimination, including sexual harassment and sexual violence (USF System Policy 0-004). The Counseling and Wellness Center is a confidential resource where you can talk about incidents of sexual harassment and gender-based crimes including sexual assault, stalking, and domestic/relationship violence. This confidential resource can help you without having to report your situation to either the Office of Student Rights and Responsibilities (OSSR) or the Office of
Diversity, Inclusion, and Equal Opportunity (DIEO), unless you request that they make a report.

Please be aware that in compliance with Title IX and under the USF System Policy, educators must report incidents of sexual harassment and gender-based crimes including sexual assault, stalking, and domestic/relationship violence. If you disclose any of these situations in class, in papers, or to me personally, I am required to report it to OSSR or DIEO for investigation. The Deputy Coordinator for USFSM is Mary Beth Wallace, AVP for Student Enrollment, Engagement and Success, 941-359-4330 or marybeth@sar.usf.edu.

Campus Resources:
- Counseling Center and Wellness Center 941-487-4254
- Victim Advocate (24/7) 941-504-8599
- List of off-campus resources:
  - Hope of Manatee: 941-755-6805
  - Safe Place & Rape Crisis Center (SPARCC) – Sarasota: 941-365-1976
  - First Call for Help- Manatee: 941-708-6488
    - Sarasota & North Port 941-366-5025
  - Manatee Glens: 941-782-4800

H. Web Portal Information: Every newly enrolled USF student receives an official USF e-mail account. Students receive official USF correspondence and Canvas course information via that address.
**Tentative Course Schedule:**

This is a **tentative schedule** and we may deviate from this schedule.

<table>
<thead>
<tr>
<th>Date</th>
<th>Chapter Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/10</td>
<td>Introduction</td>
</tr>
</tbody>
</table>
|        | **Review Quiz (NOT GRADED)**  
|        | Review: especially Ch 3, Ch 4, Ch 5, Ch 6, and NPV and IRR calculation part of Ch 10  
|        | CH 2: Financial Statements, Cash Flows, and Taxes  
|        | (Free Cash Flow calculation)  |
| 1/17   | CH 2: Financial Statements, Cash Flows, and Taxes  
|        | (Free Cash Flow calculation)  
|        | CH 7: Valuation of Stocks and Corporation  |
| 1/24   | CH 7: Valuation of Stocks and Corporation  
|        | **Quiz 1: Ch2, Ch7, and review material**  |
| 1/31   | CH 12: Corporate Valuation and Financial Planning  |
| 2/7    | CH 16: Supply Chains and Working Capital Management  |
| 2/14   | CH 9: The Cost of Capital  |
| 2/21   | **Quiz 2: Ch12, Ch16, Ch9**  
|        | CH 15 Capital Structure Decisions  |
| 2/28   | **Exam 1 (Ch2, Ch7, Ch12, Ch16, and Ch9)**  
|        | CH 15 Capital Structure Decisions  |
| 3/7    | **Spring Break**  |
|        | CH 11: Cash Flow Estimation and Risk Analysis  |
| 3/21   | CH 11: Cash Flow Estimation and Risk Analysis  |
| 3/28   | **Quiz 3: Ch15, Ch 10, Ch11**  
|        | CH 26: Real Options  |
| 4/4    | CH 26: Real Options  
|        | CH 22: Mergers and Corporate Control  |
| 4/11   | CH 22: Mergers and Corporate Control  
|        | CH 19: Lease Financing  |
| 4/18   | **Controversial Issues in Finance**  
|        | **Quiz 4: Ch 26, Ch 22, Ch 19**  |
| 4/25   | **Final Exam (Ch15, Ch10, Ch11, Ch26, Ch22, and Ch19)**  |

**I reserve the right to change any part of this syllabus if necessary. An announcement will be made if any changes are made to this syllabus.**
How to find databases useful for company valuation

1. Click “myUSF”

2. Log in myUSF

3. Click “Learning and Teaching Tools” “Library Servicers”

4. Click “Library Servicers”

5. From the Research Tools menu, click “Databases by Subject”

6. Click “Business and Economics” menu

7. Select “All” and click “Go” button

8. Click “Next”

9. You will find
   - Mergent online
   - Morningstar.com (library.ed)
   - Standard & Poor's NetAdvantage
   - ValueLine
   - IBISWorld (useful for global industry analysis)

How to access CANVAS:

Course syllabus, PowerPoint lecture notes, grades, and other important materials will be posted on CANVAS. Please check the site regularly and bring the needed material to class. To access CANVAS,

1) Go to https://my.usf.edu/.
2) Log in MyUSF with your NetID and Password.
3) Click “Learning and Teaching Tools”> “CANVAS”