

CIMBA Course Syllabus

Introduction to Financial Management: F100

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 Rutgers Business School, CIMBA, & Warwick University
 Office hours information will be supplied during the first week of classes

Goals: This is the first course in corporate financial management. Students will be expected to demonstrate mastery of common financial reporting statements, cash flow calculation and valuation, contractual structure and valuation of corporate securities, techniques for determining the cost of funds required to operate a business enterprise, efficient use of those funds in purchasing corporate assets, theoretical tradeoffs between risk and returns, and dividend policy.

Assigned text: “Essentials of Corporate Finance” by Ross, Westerfield, & Jordan. (5ed.) McGraw Hill
 ISBN#: 978-0-07-294673-4
 Homework assignments are from the questions following each chapter

Structure: The course will meet in 20 class sessions of 110 minutes each. The bulk of the presentation which I will make will be summarized in Powerpoint slides which are posted on ICON. The ICON site will also contain additional course materials, homework assignments (not already described on this syllabus), and answers to homework problems and exam problems. Only some of the homework will be collected and graded, but answers to all assigned problems will be posted on ICON.

Schedule of Topics:

| | <u>Class Week</u> | <u>Assignment Topic</u> | <u>Readings & Homework</u> |
|---|----------------------------------|---|---|
| 1 | January 20 - 27 | Introduction to the “firm” Financial statements | Chapter 1 Chapter 2 |
| 2 | Jan. 29 – Jan. 31 (2 classes) | Financial ratio analysis Intro to “Time Value of Money” | Chapter 3 HW: Ch. 2: 1 – 10, 19, 20, 22 HW: Ch. 3: 1 – 12, 28, 31, 39 |
| 3 | Feb. 5 – Feb. 7 (2 classes) | Time value of money Quiz #1 (Thursday) Intro to bonds & stocks | Chapters 4, 5 HW: Ch. 4: 1 – 10, 14, 17, 18, 25 HW: Ch. 5: 1 – 10, 24, 25, 30, 37, 49, 52 |
| 4 | Feb. 9 – Feb. 17 | Travel week | |
| 5 | Feb. 19 – Feb. 21 (2 classes) | Valuing bonds and stocks | Chapters 6, 7 HW: Ch. 6: 1 - 12, 15, 23 HW: Ch. 7: 1 – 10, 13, 16, 19 |

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| 6 | Feb. 25 – Mar. 1 (3 classes) | Capital budgeting | Chapter 8 HW: Ch. 8: 1 - 8, 14, 15, 25, 26 |
| 7 | Mar. 4 – Mar. 8 (3 classes) | More capital budgeting <u>Midterm exam</u> (Friday) | Chapter 9 HW: Ch. 9: 1 – 11, 18, 23 |
| 8 | Mar. 9 – Mar. 17 | Travel week | |
| 9 | Mar. 18 – Mar. 22 (3 classes) | Risk and return CAPM | Chapters 10, 11 HW: Ch. 10: 1-10, 13, 20, 21 HW: Ch. 11: 1-14 |
| 10 | Mar. 25 – Mar. 29 (3 classes) | Cost of capital M&M theory | Chapters 12, 13 HW: Ch. 12: 1 – 10, 12, 15, 23 HW: Ch. 13: 1 – 7, 10, 14, 15 |
| 11 | Apr. 1 – Apr. 6 (2 classes) | Exam prep and Final Exam | |

Examinations:

There will be a short quiz to confirm understanding of accounting principles and discounted cash flow valuation, a midterm examination, and a final examination. All tests are cumulative in their coverage of assigned materials. Normal format will be a combination of problems and short discussion questions. I usually allocate about a quarter of each exam to questions very similar to ones assigned for class homework.

Grading

This course is considered to be a CORE course in standard business school curriculums. Accordingly, I will be grading on a curve with a goal of adhering to the standard grade distribution outlined below.

| Grade | Core Courses | Required Courses | Elective Courses |
|-------|--------------|------------------|------------------|
| A | 20% | 30% | 40% |
| B | 40% | 40% | 40% |
| C | 30% | 25% | 15% |
| D | 10% | 5% | 5% |

A variety of other policies, unrelated to the specific content of this course are governed by the norms of the Tippie College of Business and the University of Iowa.

Students with Disabilities:

"PLEASE NOTE: If you have a disability that may require some modification of seating, testing, or any other class requirement, please let me know as soon as possible so that appropriate arrangements can be made. Similarly if you have any emergency medical information about which I should know, or if you need special arrangements in the event the building must be evacuated, please let me know. Please see me after class hours or during my scheduled office hours or schedule an appointment. I would also remind you that the Office of Student Disability Services is available to assist you."

Academic Misconduct:

Unless precluded by a statement made during class, students are allowed to collaborate on homework assignment, but must prepare their own individual papers to submit for a grade. The obvious exception would be a formal team assignment, in which case a single submission would be assumed to represent the work of all students (participating and contributing “equally”) and all would receive the same grade.

Any examination administered in class or at the end of the term is closed book. The only outside assistance a student may bring to class is a financial calculator. Calculators may be programmable, but students are not allowed to use notebook computers, i-phones (or equivalent), or any other device that can be used to access the internet or any other out-of-class source of additional information. Cheating in any form – either receiving or giving assistance – will be grounds for administrative action. You are all bound by the College Honor Code.

Sexual Harassment

CIMBA and the University of Iowa are committed to providing students with an environment free from sexual harassment. If you feel that you are being or have been harassed or you are not sure what constitutes sexual harassment, we encourage you to visit the University website, <http://www.sexualharassment.uiowa.edu/index.php>, and to seek assistance from any program administrator.

CIMBA’s attendance policy:

Attendance at all classes and CIMBA sanctioned activities is **MANDATORY**. All unexcused absences will have the following consequences:

- a. 1st absence will result in a loss of a 1/3 of a letter grade in that class
- b. 2nd (cumulative) absence will result in a loss of an entire letter grade in that class
- c. 3rd (cumulative) absence will result in a dismissal from the program

Absences due to illness require a confirmation from the CIMBA Office Staff. If you are sick and cannot attend class, you must inform the CIMBA Staff immediately. Failure to do so will result in an unexcused absence. You are allowed to make up examinations which have been missed due to illness, mandatory religious obligations, or other unavoidable circumstances.

FERPA Requirement:

In order to participate in this class, it may be necessary to reveal to other students the names of students who are enrolled in this course. If you do not want your name revealed to other students enrolled in this course, please contact me in writing by the end of the first week of class. CIMBA retains the right to release your performance records in this course to legitimately interested parties unless your objection is made clear and in writing.

Grievance Policy

If you are concerned about this course, you should first discuss it with me, the faculty member teaching this course. If we can't resolve the complaint, you may contact the Finance Department Chair, Erik Lie (319-335-3733, erik-lie@uiowa.edu). If you cannot resolve the complaint by speaking with the chair, you may contact the Associate Dean of the Tippie College Undergraduate Program, Lon Moeller (319-335-0924, lon-moeller@uiowa.edu).