Principles of Managerial Finance

FIN 340
Fall 2008
Bill Blackerby

wblack@sienaheights.edu
Phone: 517-264-7634
Associate Professor of Management

Course Description

Managerial Finance develops students as active financial analysts, planners and decision-makers at the operating and strategy setting levels. Applying their Accounting and Economics knowledge, students address financial analysis, capital budgeting, long term financing and working capital management—all with the aim of maximizing resource efficiency and effectiveness. This course considers the financial consequences of marketing and management decisions, and emphasizes increased market globalization and online information access. Students are strongly urged to take Macroeconomics before or with Managerial Finance.

Course Prerequisites: Accounting Principles II and Introductory Statistics

Text: Foundations of Financial Management, 12/e, Block and Hirt, McGraw Hill (2008), ISBN 0073295817. Used texts of the same edition are fine, for we will access our own financial resources using E-College.

Required Materials
Bring a calculator to every class, one with an exponential function or a financial model. TI-83 and its first cousins work well too. Along with a word processor and spreadsheet, you need Internet access. Let me know if your software is not compatible with Word and Excel.

Course Objectives and Program Learning Outcomes

1. To think and communicate as financial managers do.

2. To better analyze and interpret accounting information, also to enable you to confidently apply several financial management tools and techniques.
3. To develop an integrated view of firms by better understanding how:
   - Finance, Marketing and Operations should work together
   - World markets and global competitors affect the firm’s finances
   - Corporate policies guide and organization strategies drive financial decision-making

4. To use core corporate finance principles and concepts to make better personal finance decisions.

FIN 340 does not currently formally assess but does address three of the four BAM Learning Outcomes. Creativity is the exception.

- Communication—ability to express ideas in writing, verbally and visually
- Creativity—ability to develop original ideas or use common solutions in uncommon ways
- Analytical ability—effectively separate a complex problem or situation into its component parts in order to identify solutions
- Integrative thinking—ability to detect interrelationships among components parts and assess their importance in creating solutions

**Course Grading**

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exams (3)</td>
<td>300</td>
<td>A= 91%</td>
</tr>
<tr>
<td>Best Exam</td>
<td>100</td>
<td>B= 81%</td>
</tr>
<tr>
<td>Projects (3)</td>
<td>360</td>
<td>C= 71%</td>
</tr>
<tr>
<td>Group Portfolio Performance</td>
<td>40</td>
<td>D= 61%</td>
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<tr>
<td>Bonus</td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>800</td>
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</tbody>
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**Course Methods**

**Courseware**

At our first class meeting you will receive your user name, pass word and log in instructions for E-College at [http://www.sienaonline.org](http://www.sienaonline.org).

**Text**

Thoroughly study your text and work the assigned problems before every class, so that class presentation and discussion magnifies and reinforces
your learning. For exams, you then need only to review. You will also rely on your text as a reference for your written projects.

**Exams**

Are closed book and without notes. They include true-false, multiple guess and matching term questions taken directly from your text. You will also have problems similar to those worked in class. You will have a set of unidentified formulas for reference, testing your ability to recognize and apply rather than memorize.

You will find chapter study guides on E-College, [www.sienaonline.org](http://www.sienaonline.org). I build your exams directly from these guides.

**Projects**

You will each have your own assigned public corporation and apply your financial analysis tools, concepts and ratios to your firm. These reports are typed and include spreadsheets. For illustration purposes, the class will adopt a corporation as our own.

**Work on your reports throughout the assignment period.** These assignments bridge Managerial Finance to Strategic Management, for BAM Majors, and Financial Statement Analysis, Accounting Majors.

**Bonus**

You and your team will construct and manage a portfolio of your assigned corporations, evaluating both individual and combined investment return and risk characteristics. Your grade depends on your performance relative to classmates and select market indexes.

**Academic Accommodations**

If you need an accommodation based on your disability’s impact, contact me to for an appointment. At the appointment we can discuss the course format, anticipate your needs and explore potential accommodations. I rely on the Office for Students with Disabilities for assistance in verifying the need for accommodations and developing accommodation strategies. If you have not previously registered with the Office for Students with Disabilities, I encourage you to do so. Just a reminder, requests for accommodations are not retroactive.
Course Rules

Initiative  Contact me as soon as you experience any problems. I can help. These rules are designed to prevent arbitrary decisions on my part and unfair advantages to other students. Deadlines and restrictions on substitute assignments are designed to prevent postponed problems from cascading—hurting FIN 340 and other semester course grades.

Make Ups  You can take your exam within 7 days if you notify me promptly and your reasons are valid. However, make up exams will not be curved and may differ from the original. Take all exams as scheduled and your best test score counts twice.

Your Report  Reports are due in class, at the beginning of class, on date assigned. Late reports are accepted up to 168 hours late and are graded on a 0-85% scale. Otherwise you earn a zero grade. No make ups are planned.

Participation  Attend 100% of the time before an exam, and you can toss out up to 10 points worth of questions or problems on your next exam. 100% begins at each roll call and ends when we turn out the class room lights.

Cheating  Unfairly use the work of another on a test or a project and the first offense is a grade of zero, the second offense is failing the course. Please see the current Undergraduate Catalog for my responsibilities and further consequences to you should you cheat. For example, I must report all academic dishonesty to the Academic Dean.