Outline of Class Schedule


Topic 2. Risk and Return, Part I - Lecture 2, Ch. 2; Jan. 14th. – Jan. 21st.


Topic 4. Bond Valuation, Lecture 4, Ch. 4; Feb. 2nd. – Feb. 9th.

First assignment set is to be posted on Moodle on 5 February 2016. To be completed by student and received by my Research Assistant (RA) and me no later than 10 February 2016. February 11th will be a review day for this class. Send to my RA, kkesse@uncc.edu by email only and copy to me at lblenman@uncc.edu. Solutions will be posted on Moodle 12th February, 2016 at 6 p.m. All assignments must be typed (no exceptions) in a WORD document. Assignments received after the solutions are posted will be awarded a zero score. No handwritten assignments will be accepted. Answer Key (with solutions) for Midterm 1, will be posted on Moodle on February 17th, 2016.

Midterm Examination #1, February 16th, 2016.

Topic 5. Financial Options- Lecture 5, Ch. 5.; Feb. 18th. - Feb. 25th.


Student Recess: No classes during Mar. 7th – Mar. 12th, 2016.

Topic 7. Financial Statement Analysis - Lecture 7, Ch. 7; Mar. 15th. – Mar.-22nd.
Topic 8. Stock Valuation- Lecture 8, Ch. 8; Mar. 22nd - Mar. 29th.

Second assignment set is to be posted on Moodle on 25th March, 2016. To be completed by student and received by my Research Assistant (RA) and me, no later than 30th March, 2016. March 31st will be a review day for this class. Solutions will be posted on Moodle 1 April, 2016 at 6 pm. Send to my RA at kkesse@uncc.edu by email only and copy to me at lblenman@uncc.edu. All assignments must be typed (no exceptions) in a WORD document. Assignments received after the solutions are posted will be awarded a zero score. No handwritten assignments will be accepted. Answer Key (with solutions) for Midterm 2, will be posted on Moodle on April 6th.

Midterm Examination #2, April 5th.

Topic 9. Corporate Governance. – Lecture 9; Ch. 10.; Apr. 7th. - Apr. 12th.

Topic 10. Determining the Cost of Capital. – Lecture 10; Ch. 11.; Apr. 12th. - Apr. 14th.

Topic 11. Capital Budgeting: Decision Criteria, Lecture 11, Ch.12; Apr. 19th – Apr. 21st.


Third assignment set is to be posted on Moodle on April 24th 2016 and should be completed by April 28th 2016. Solutions will be posted by April 29th 2016. We will review on May 3rd 2016. This third assignment will constitute a basic review for the final exam. It is ungraded but you should make all efforts to do it properly. It will also not be collected.

(May 4, 2016, No Classes-Reading Day)

Final Examination
Tuesday May 10, 2016, 2 p.m - 4.30 p.m
Course Description

The course deals with modern finance theory and its applications to corporate finance. The course will cover equilibrium asset pricing models, efficient markets hypothesis, risk analysis and real options theory in corporate decision-making. The topics of informational asymmetry, optimal corporate structure and dividend policies will also be investigated in detail. Agency conflicts and their impact on corporate performance, financial restructuring and leasing policies will conclude the set of issues to be analyzed.

Course Objectives

The objectives of the course are to ensure that all students have a mastery of the elements of corporate finance and are able to utilize the discussed theories and models to evaluate stocks, bonds, leases and to assess risk in the corporation. Students will be expected to measure cost of capital, make optimal capital budgeting decisions and to determine the best dividend policies and capital structures. They will also be expected to be able to assess agency costs and formulate plans for restructuring, if capital structures are incompatible with the objectives and resources of the firm.

Grading.

Grades will be assigned solely on the basis of performance on (3) written in-class examinations (the final examination and 2 midterms) and your performance on the assignments. The midterm examinations are weighted (25%) each. The final examination is weighted 30%. There is a 10% weight for the assignments, 5% for class attendance and 5% for class participation. I will take attendance at every class. I will randomly ask questions based on materials you are supposed to have read throughout the course of the semester. Your participation grade will be based on your answers to the questions I pose. Your participation score will be impacted in an adverse fashion if you cannot answer adequately any of the questions that are posed to you in my class.

All assignments, their answers and your various scores on Exams, Class Participation and Class Attendance will this semester be posted on Moodle. Please check continuously throughout the semester, that your scores are recorded correctly.

Students are encouraged to pay special attention to all worked examples and the assignments. These will be closely related to the material on the midterms and the final examination. Grades will be assigned solely on the basis of scores on the following scale A, 100-90; B, 89-79; C, 78-68; D, 67-58; F, 57-0.
Assignments

Assignments are designed to test your understanding of materials already covered or about to be covered. Assignment questions are basically numerical in nature and are drawn from textbook materials, class room discussions and Power Point topics that I want you to know. I require that you complete them on your own without input from anyone else as you will be given individual scores for these 2 assignments. **These are not collaborative exercises.** Make sure that you submit the assignments by email to my Research Assistant at kkesse@uncc.edu and copy to my university email address, lblenman@uncc.edu, and that we receive them by their due dates. **All assignments must be in WORD format and no handwritten assignments will be accepted.**

Assignments received after the due date will be awarded a zero score. Assignments will provide you with the details of approximately 70% of the numerical problems that you can expect to see on the midterm exams. Conceptual problems are to be drawn from your textbook and the Power Points. Read your textbook thoroughly, the associated Chapter Power Points and pay attention in class as we discuss the main theories of finance. **I will not put any conceptual problems on the assignments.** The numerical problems on exams will be similar but not identical to those in the assignments. **The final exam is not comprehensive in nature.**

Exams

All exams will be based on **multiple choice questions.** The same format will cover all three in-class exams. **This semester** there will be a maximum of 25 questions on all exams. Some questions will require specific numerical answers and others will require conceptual knowledge. You will have to select one answer which you think is the most appropriate answer for the question given. **There are no dropped exams.**

Assignment 1, properly understood, should be a good basis for the numerical problems on Midterm 1. The same applies for Assignment 2 and Midterm 2 as well as to Assignment 3 and the Final Exam. **All exams comprise both conceptual and numerical problems.**

Formulas and their Usage

Modern finance is very quantitative for the most part. In many cases the formulas you will need are already embedded within your calculator. This is true of bond pricing problems and other elementary time value problems. In other cases, different types of formulas are required. **I will provide you with a formula sheet with all the formulas from the textbook covering the chapters to be tested for each exam.** That should be the only formula sheet in your possession during the exam. If you have any other formulas/formula sheets in your possession, that will be treated as an act of dishonesty.
The same problems can also be done in Excel and other programs. We will go over some elements of Excel usage, but the primary focus should be on using your calculators. That is the way that your knowledge of finance is best tested, at this stage.

Absences from Examinations.

There will be no makeup or early examinations of any sort. The Final Examination must be taken at the scheduled date and time. If you cannot take the Final Examination for medical reasons, you will be awarded an “I” and can complete the course requirements the following semester. If you miss one midterm examination, your final examination will have a 55% weight. If you miss two midterm examinations you will be assigned an “F” for this course. There are no dropped exams.

Class absences.

Students are expected to attend all classes. Students, who are not present during the times materials are covered, will still be held responsible for all covered materials. In the event that you are going to miss a class and know about it before hand or otherwise, please ask a friend in the class to give you the notes on such materials. There are examples covered spontaneously in class, on the basis of student questions. All such examples are not in my class notes.

Assignments and Lectures

The principal method of instruction will be primarily by means of lectures via PowerPoint. I will point out the most relevant sections in your textbook and also cover some examples from your textbook. We cannot go through all the text book materials as well as the Power Point materials, within the confines of the class period. So I have chosen to work primarily with the Power Point slides and indicate to you what parts of the textbook should not be covered. All required information about the course is already posted on Moodle prior to the start of the semester.

We are using a new edition of the textbook this semester. Old exams of mine may not be an appropriate way to prepare for current exams in this course. The topics that are of major interest change from semester to semester. I will not provide any typical sample exams. Materials that we cover during the semester in class, and those that are posted on Moodle should be sufficient for you to do well on the exams, providing that you thoroughly understand the examples. Students are expected to actively participate in classroom discussions and in the solving of class room problems. Class participation and assignment scores will not be determined/awarded until after I have delivered the last in class lecture. You should be prepared for every class by reading the assigned chapters and associated Power Points before the class meets.
Solving problems, reading the textbook and participating in classroom discussions are ways in which you can work to improve your understanding of the course material. Students are encouraged to come to my office and discuss the material as we cover them in class. Check the Moodle site for any additional materials that I may post or distribute to the class electronically.

Students are expected to have a single, good non-programmable financial calculator to assist them in solving assigned problems. Make sure that you know how to use your own calculator. We will spend minimal time in class on calculator use. You should, by this stage, have taken a basic introductory corporate finance course where calculator usage was covered. This is not an introductory course. Set your calculator to be accurate up to eight (8) decimal places. Since corporate finance is a dynamic and constantly changing area students are expected to keep abreast of current events in financial markets. This can be achieved by reading the Wall Street Journal, Business Week or Euromoney, which are all good sources for current information.

Office Hours Policy
Students are always welcome to come to my office to discuss any problems relating to materials or examples discussed in class. Students should take advantage of this time to discuss with me, questions derived from the textbook or any other questions of interest.

Academic Integrity
Students are advised to apprise themselves of, and adhere to the rules specified in the UNC-Charlotte code of student integrity regulations, which will be strictly enforced in this class.

Diversity Statement
The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.

Computation Of Your Final Course Average.
Suppose that your scores are Assignment #1, 80%, Assignment # 2, 90%, MT #1, 90%, MT#2, 80%, Final Exam, 90% and Class Attendance, 80%, Class Participation, 60%. Your course score is computed using the following formula (MT#1 Score+MT#2 Score)(.25)+(Final Exam)(.3)+(Assignment # 1 Score+ Assignment # 2 Score)(.05)+(Class Attendance+ Class Participation) (.05). In this example the average course score is 85. This means that you have earned a “B” for the course. If you do not understand how to compute your final grade, do not hesitate to ask. This is the sole basis for determining your final grade. There are no dropped exams.