Instructor: Dr. Blenman

E-mail: lblenman@uncc.edu.

Office Hours
T 5.00 p. m – 6.00 p. m
R 5.00 p. m - 7.00 p. m and by appointment
Class- TR 3.30 p.m.- 4.45 p.m.; Friday 142;


Outline of Class Schedule

Topic 2. Risk and Return, Part I- Lecture 2, Ch. 2; Aug. 27th. –Sept. 3rd.

Topic 3. Risk and Return, Part II- Lecture 3, Ch. 3; Sept. 8th – Sept. 15th.

Topic 4. Bond Valuation, Lecture 4, Ch. 4; Sept. 17th. – Sept. 22nd.

First assignment set is to be posted on Moodle by 19 September 2015. To be completed by student and received by my RA and me no later than 23 September 2015. Send to my RA, kkesse@uncc.edu by email only and copy to me at lblenman@uncc.edu. Solutions will be posted on Moodle 25th September, 2015 at 10 p.m. All assignments must be typed (no exceptions). September 24th will be a review day for this class. Answer Key for Midterm 1, will be posted on Moodle on October 1st. All scantrons will be returned in class on the first class day after your exam.

Midterm Examination #1, Sept. 29th.
No Class on October 13th, 2015

Topic 8. Stock Valuation- Lecture 8, Ch. 8; Oct. 22nd. – Oct. 27th.

Second assignment set is to be posted on Moodle by 23rd October, 2015. To be completed by student and received by my RA and me, no later than 28th October, 2015. Solutions will be posted on Moodle 30th October, 2015 at 10 pm. Send to my RA kkesse@uncc.edu by email only and copy to me at lblenman@uncc.edu; All assignments should be typed (no exceptions). October 29th will be a review day for this class. Answer Key for Midterm 2, will be posted on Moodle on November 5th. All scantrons will be returned in class on the first class day after your exam.

Midterm Examination #2 , Nov. 3rd.

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

Topic 10. Determining the Cost of Capital. – Lecture 10; Ch. 11.; Nov. 12th.- Nov. 19th.


No Classes, November 25- November 28.

Third assignment set is to be posted on Moodle by November 25th 2015 and should be completed by December, 4th 2015. Solutions will be posted by December 5th 2015. We will review on December 8th, 2015. 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.

(December 10, No Classes-Reading Day)

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<th>Final Examination</th>
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<td>Tuesday Dec. 17; 2 p.m. - 4.30 p.m.</td>
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**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 and 10% for class attendance and participation. All assignments and their answers are to be posted on Moodle.

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, 68-58; F, 57-0.

Assignments

Assignments are designed to test your understanding of materials already covered or about to be covered. They are expected to be done on your own without input from anyone else as you will be given individual scores for these 2 assignments. Make sure that you submit the assignments by email to my Research Assistant at kkesse@uncc.edu and copied 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. Assignment received after the due date will be awarded a zero score.

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 each exam. 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.
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 needed for each exam. That should be the only formula sheet in your possession during the exam. If you have any other formulas/formula sheets that will be treated as an act of dishonesty.

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.

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. Where appropriate I will point out the relevant sections in 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 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, so old exams may not be an appropriate way to prepare for exams in this course. Old exams are circulating and you may use them at your discretion. **I will not provide any typical sample exams.** Materials that we cover during the semester will be sufficient for you to do well on the exams. Students are expected to actively participate in classroom discussions and in the solving of class room problems. You should be prepared for class by reading the assigned chapters, 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 corporate finance corporate finance course where calculator usage was covered. 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-100% and Class Participation 70%. Your course score is computed using the following formula: \((\text{MT#1 Score} + \text{MT#2 Score})(.25) + (\text{Final Exam})(.3) + (\text{Assignment # 1 Score} + \text{Assignment # 2 Score})(.05) + (\text{Class Participation})(.10)\). In this example the average score is 88. 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.