



UNC CHARLOTTE

BELK COLLEGE *of* BUSINESS

**MGMT 6170 U01**  
**Analysis for Financial Management**  
**Spring 2020**

**Instructor:** I-Hsuan Ethan Chiang  
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**Office Hours:** (1) Center City: 7th Floor, by appointment  
(2) Main Campus: Friday 340B, by appointment  
**Class Time:** Wednesdays 9:30 AM – 12:15 PM  
**Class Location:** Center City 601

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*This syllabus contains the expectations, policies, procedures, and schedule for the course. Please read the entire syllabus carefully before continuing in this course. The policies and expectations stipulated in this syllabus are intended to create a productive learning atmosphere for all students. Students are expected to abide by these policies and expectations. The standards and requirements set forth in this syllabus may be modified at any time by the instructor. Notice of such changes will be announced in class and electronically. (Last update: January 6, 2020)*

### **Course Description**

The goal of the course is to learn (1) how a portfolio manager can find out fundamental values of financial securities, including equity, debt, and derivative instruments, and enhance portfolio performance, and (2) how a corporate manager can evaluate prospective investment projects and make operational and financial decisions to maximize the intrinsic firm value. *Measurement* of intrinsic security/project/firm values relies on discounted cash flow analysis, which involves two major components. The first component is *estimation of cash flows*, which covers payment structure of fixed income securities, dynamics of stock dividends, and free cash flows to the projects or the firms. The second component is *estimation of appropriate discount rates*, which covers interest rate processes, asset pricing models, and cost of capital. *Maximization* of portfolio or firm values involves portfolio choice, fundamental and technical analysis of securities, capital budgeting, and capital structure policy.

## Materials

1. Handouts: Handouts will be available from Canvas before classes.
2. Textbook: Brigham, E.F., and M.C. Ehrhardt, 2014, *Financial Management: Theory and Practice*, 14th ed., OH: South-Western Cengage Learning.
3. End-of-chapter problem sets: A problem set will be assigned upon completion of each handout. Answer keys will be posted on Canvas.
4. Extra practice questions: Three sets of extra practice questions and answer keys will be posted on Canvas.
5. Financial calculator: Please bring a calculator with financial functions to every class. Authorized for use during Chartered Financial Analyst exams, Texas Instruments BAII Plus (including Professional model) and Hewlett Packard 12C (including Platinum model) are excellent choices. TI BAII Plus will be the calculator used in classroom demonstrations. For convenience, set the display format to 6 decimal places and the compounding frequency to 1x per period.

| Purpose  | TI BAII Plus Keystroke     |
|--|----------------------------|
| Set the display format to 6 decimal places     | [2nd] [FORMAT] [6] [ENTER] |
| Set the compounding frequency to 1x per period | [2nd] [P/Y] [1] [ENTER]    |

- Lecture/discussion is the primary format of class sessions in this course. Students are expected to read the handouts and assigned textbook readings before attending the class and bring questions to class. Students are encouraged to ask questions throughout the class period and gain deeper understanding on the class materials.
- Students are required to work on the problem sets and extra practice questions but are not required to turn them in.

## Assessment

| Item           | Date/Time                   | Weighting Scheme A | Weighting Scheme B |
|----------------|-----------------------------|--------------------|--------------------|
| Midterm Exam 1 | 2/12/2020, 9:30 AM–11:30 AM | 33 1/3 Points      | 25 Points          |
| Midterm Exam 2 | 3/25/2020, 9:30 AM–11:30 AM | 33 1/3 Points      | 25 Points          |
| Final Exam     | 5/6/2020, 9:30 AM–12:00 PM  | 33 1/3 Points      | 50 Points          |
| Group Project  | Due on Final Exam Day       | 10 Points          | 10 Points          |
| <b>Total</b>   |                             | <b>110 Points</b>  | <b>110 Points</b>  |

- The midterm and final exams will be in-class, closed-book, and closed-notes. Questions are given in multiple-choice, and based on the lectures, problem sets, and extra practice questions. A financial calculator and a letter-sized piece of paper with formulae and notes are allowed.
- Midterm exam coverages will be announced before the exams. The final exam is cumulative.
- The dates for the midterm exams are strictly firm. In the event that weather or other emergency conditions warrant the closing of the University on the day of a scheduled midterm exam, the exam will be automatically scheduled for the next class meeting. The final exam will be given according to the University's official final exam schedule.
- Should you miss an exam for a legitimate reason (e.g., personal illness, family emergency, or participating as an authorized University representative in an event), please give a prior notice. A physician's letter or other official documents stating the basis of your absence from the exam is required. You may be asked to request for absence verification from the Dean of Students Office. It is at the instructor's discretion to determine the legitimacy of the reason to miss an exam.
- No makeup exams will be given. If you miss a midterm exam for a legitimate reason, its grade will be replaced by your final exam grade. If you miss the final exam for a legitimate reason, you will be given an "Incomplete." Students missing an exam with unexcused absence will receive a score of zero.
- For the group project, the group size should be 4 or below. A 1 point per day penalty will be applied to late projects. No project will be accepted after two days, although extension might be given to students with a legitimate reason.

- Grading scale: your overall numerical grade will be calculated using either Weighting Scheme A or B, whichever gives the *higher* mark. The numerical grade will be rounded to the nearest integer and then converted to an alpha grade based on the following table:

|             | Range of Numerical Grade |       |       |      |
|-------------|--------------------------|-------|-------|------|
|             | 90+                      | 80–89 | 70–79 | 0–69 |
| Alpha Grade | A                        | B     | C     | U    |

## Course Outline

| Topic | Subject                         | Text Chapters |
|-------|---------------------------------|---------------|
| 1     | Introduction                    | 1             |
| 2     | Time Value of Money             | 4             |
| 3     | Bond Valuation                  | 5             |
| 4     | Risk, Return, and Asset Pricing | 6, 25         |
| 5     | Stock Valuation                 | 6, 7, 14      |
| 6     | Cost of Capital                 | 9             |
| 7     | Project Valuation               | 2, 10, 11     |
| 8     | Corporate Valuation             | 7             |
| 9     | Capital Structure               | 15            |

- The instructor reserves the right to make any necessary changes to the topics covered as the semester progresses.
- CEO Speaker Series: 1/29/2020, Popp Martin Student Union; registration required ([belkcollege.uncc.edu/CEOspring2020](http://belkcollege.uncc.edu/CEOspring2020))
- Spring recess, no class meeting: 3/5/2020

## Academic Policies

- Out-of-class communication: Much out-of-class communication is done by email. Please make sure you are able to be reached via your UNC Charlotte email account. Please also check the announcements on Canvas frequently for news and updates.
- Disability services: UNC Charlotte is committed to access to education. If you have a disability and need academic accommodations, please provide a letter of accommodation from Disability Services early in the semester. For more information on accommodations, contact the Office of Disability Services at 704-687-0040 or visit their office in Fretwell 230.
- Student conduct: All students are required to read and abide by the UNC Charlotte Code of Student Academic Integrity, the UNC Charlotte Code of

Student Responsibility, and Academic Integrity in Belk College of Business. Violations of the Codes will result in disciplinary action as provided in the Codes.

- Statement on diversity: 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.

## **Acknowledgement**

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