FINANCE 655-01: Seminar in Financial Management  
Spring 2006  
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Office Hours: TR 11:15 am - 1:45 pm

Syllabus

Course Requirements

• Prerequisites:
Survey of Finance (FINA 307/FIN 150), required.  
Management Control Systems (ACCT 623/ACCT 323), strongly recommended.  
• Calculator: A financial calculator is required. Your calculator must have net present value (NPV), internal rate of return (IRR) and cash flow (CF) functions. Texas Instruments BAII PLUS (Advanced Business Analyst) is recommended.

Course Materials

• Online Learning Center http://highered.mcgraw-hill.com/sites/0072957239/student_view0/index.html  
• WebCT. Important course materials, assignment due dates and your grades in progress are available via our course WebCT.

Course Goals

This seminar course assumes previous successful completion of a basic course in finance as well as a working knowledge of spreadsheet, algebra, and statistics. The purpose of this course is to provide students with in-depth knowledge and skills in making financial decisions within the context of a firm. Course content includes financial planning and budgeting, capital investment decisions, risk and return analysis, capital structure decisions, etc. Throughout the semester, students will analyze a dynamic set of cases/articles that allow you to integrate financial analysis and accounting information into corporate strategic decisions. In particular, the course will emphasize how financial management can facilitate the process of value creation. The objective is to give students an operational knowledge of financial management in today’s business environment.
Case Reports and Presentations

To enable you to truly understand the role of financial theory in actual business situations, selected cases will be discussed in detail during regular class sessions. Students will team up to work on the assignments and make oral presentations. The presentation should be approximately 20 minutes and the presenting team should be prepared to respond to specific questions from other students and the instructor. Since learning by the case approach is an individual proposition, requiring a maximum effort, non-presenting teams must submit written reports on the case at the beginning of the class on the due date. These reports should be concise, yet address all of the major issues raised in the cases. They should be similar in style and content to an executive summary, and should be no more than 2 typed pages of text, plus exhibits.

Article Reports and Presentations

New ideas in financial management appear in academic/professional journals. To take you beyond conventional wisdom and closer to the leading edge of knowledge, I am asking you to explore carefully the reserve readings at Corporate Finance Online (http://www.mhhe.com/business/finance/corpfinonline/). Students will team up to work on the assignments and make oral presentations. The presentation should be approximately 20 minutes and the presenting team should be prepared to respond to specific questions from other students and the instructor. Non-presenting teams are required to submit reports of the journal articles at the beginning of the class on the due date. These reports should be concise, yet address all of the major issues raised in the assignments. They should be similar in style and content to an executive summary, and should be no more than 2 typed pages of text.

SAP Assignments

To learn how cash budget and financial planning are implemented, students are required to perform money market and foreign exchange transactions, settlements, reports and analyses via a simulated business environment in SAP R/3 system. SAP assignments can be downloaded from our course WebCT. The objective of the assignments is to provide knowledge and skills about the basic functions related to managing cash flows and currency exchange risk in SAP Treasury Management Module. The SAP packet is available for purchase in the campus bookstore; it is in a manila colored envelope. You only need to purchase one packet for all classes. You must sign the SAP account contract in order to have a valid user ID.

Quizzes and Exams

There will be seven quizzes and two exams (see Course Schedule and Assignments for quiz/exam dates). You may drop two quizzes with the lowest scores; only five out of the seven quizzes will be counted in determining your grade. No make up quiz is allowed regardless of the reason. If you miss the mid-term exam and cannot demonstrate extreme hardship, you will receive a score of “0”; no make up exam is allowed. However, the weighting of the final exam can be increased to compensate for the missed mid-term exam if you present a serious compelling reason (e.g., a doctor’s note). You are required to communicate with the instructor regarding the change of final exam weight within 24 hours of the exam. No late request will be granted. The final exam is comprehensive covering the course material for the entire semester.
Class Attendance and Participation

Regular attendance is required. It is your responsibility to obtain class notes and assignments from other members in the class whenever you are absent. Class participation is strongly encouraged and will be evaluated on the basis of the depth and logic of the student analysis.

Late Work/Extra Credit Assignment

All assignments are due at the beginning of the class period on the due date. No late work will be accepted. No extra credit assignments will be allowed to make up for poor exams or written briefs. Such assignments usually lead to perceptions of unequal treatment and endless conflict.

Drop Policy

If you want to drop the class after the first week, it is your responsibility to initiate and follow through on the action. Do not assume an instructor will drop you from a course if you quit attending class. University regulations specify several conditions for dropping a class and the relevant cutoff dates. These are covered in the University Catalog. If you intend to drop the course, do it right away or you may miss a critical cutoff date.

Academic Honesty

You are expected to maintain a high standard of academic honesty. Dishonesty will bring grade reduction or other sanctions as provided in Section IV-A of the University Code. Copies of the University Code are available from the Office of the Coordinator for Student Judicial Affairs. Also see the chapter titled "Student Judicial Affairs" in the University Catalog. Maximum penalty will be enforced for academic dishonesty.

Grading Policy

Your grade will be determined based upon the total points earned from the following:

3 Case Reports @ 4 points each = 12 points
3 Article Reports @ 4 points each = 12 points
2 Oral Presentations @ 4 points each = 8 points
2 SAP assignments @ 4 points each = 8 points
5 Quizzes @ 3 points each = 15 points
Mid-Semester Exam = 15 points
Final Exam = 30 points

95 points and above = A
90 to below 95 points = A-
87 to below 90 points = B+
83 to below 87 points = B
80 to below 83 points = B- etc.

Students with good attendance and active class participation records will be rewarded in terms of grade enhancement, e.g., from B to B+, from B+ to A-, etc.
Course Schedule and Assignments

The following schedule gives the chapter coverage/assignments. The lectures will stress the most important and/or most difficult material. Your comprehension of the material will be enhanced if you read the chapters before they are covered in class.

Sessions:

Chapter 1 - Finance and the Financial Manager
From January 24, 2006 To January 24, 2006

Chapter 29 - Financial Analysis and Planning
From January 26, 2006 To February 07, 2006

Chapter 31 - Short-Term Financial Planning
From February 07, 2006 To February 16, 2006

ARTICLE #1
From February 07, 2006 To February 07, 2006

QUIZ #1
From February 09, 2006 To February 09, 2006

CASE #1: Comparative Analysis of Financial Statements
From February 14, 2006 To February 14, 2006

Chapter 3 - How to Calculate Present Values
From February 16, 2006 To March 02, 2006

QUIZ #2
From February 16, 2006 To February 16, 2006

ARTICLE #2
From February 21, 2006 To February 21, 2006

QUIZ #3
From February 23, 2006 To February 23, 2006

CASE #2: Cash Flow Analysis
From February 28, 2006 To February 28, 2006

Treasury Management Assignment I Due
From March 02, 2006 To March 02, 2006

MID-SEMESTER EXAM
From March 07, 2006 To March 09, 2006

Spring Break
From March 13, 2006 To March 17, 2006
Chapter 5 - Why Net Present Value Leads to Better Investment Decisions than Other Criteria
From March 21, 2006 To March 28, 2006

Chapter 6 - Making Investment Decisions
From March 28, 2006 To April 04, 2006

Chapter 8 - Risk and Return
From April 04, 2006 To April 11, 2006

CASE #3: Capital Investment Decisions
From April 04, 2006 To April 04, 2006

QUIZ #4
From April 06, 2006 To April 06, 2006

Chapter 9 - Capital Budgeting and Risk
From April 11, 2006 To April 18, 2006

ARTICLE #3
From April 11, 2006 To April 11, 2006

QUIZ #5
From April 13, 2006 To April 13, 2006

Chapter 28 - Managing International Risk
From April 20, 2006 To May 02, 2006

QUIZ #6
From April 20, 2006 To April 20, 2006

Treasury Management Assignment II Due
From April 27, 2006 To April 27, 2006

ARTICLE #4
From May 02, 2006 To May 02, 2006

Chapter 18 - How Much Should a Firm Borrow?
From May 04, 2006 To May 11, 2006

QUIZ #7
From May 04, 2006 To May 04, 2006

CASE #4: Hedging Currency Risk
From May 09, 2006 To May 09, 2006

FINAL EXAM: 5:00 - 6:50 PM
From May 16, 2006 To May 16, 2006