

GOVERNORS STATE UNIVERSITY
College of Business and Public Administration

Course Number & Title: FIN 301 SA: Principles of Financial Management

Session: Winter 2010; Block 1
Class runs from 01/11/10 through 04/26/10

Class meets: Online.
Exams are proctored; may be taken on campus on scheduled dates, at the testing center in case of scheduling conflicts, or at off-campus testing sites if you are a distance learner. For the third option, please contact Rebecca Schreurs-Scharnhorst in the Division of Extended Learning.

Instructor: Sudipta Roy, PhD

E-mail: WebCT mail

Course Description:

An examination of the theory and practice of the financial management function in planning the appropriate amount of funds to employees in the firm, raising these funds on the most favorable terms, and directing the efficient allocation of the funds within the firm. Topics discussed include financial analysis and control, the management of current assets, capital budgeting, short-term and long-term financing.

Learning Outcomes:

After completing this course, you should be able to:

- Analyze the Income Statement and the Balance Sheet of a company, and compute free cash flows
- Compute and interpret financial ratios
- Compute values of stocks and bonds, and their rates of return
- Measure risk and return in financial markets
- Make decisions related to capital investment
- Compute the cost of capital for a company

Credit Hours: 3

Prerequisites: ACCT 301, and STAT 361

Text: Lawrence J. Gitman, Principles of Managerial Finance: Brief fifth edition, 2009, Pearson Prentice Hall. (Required)
Study Guide to accompany textbook. (optional)

Recommended materials: Scientific Calculator (required and preferred)
Financial Calculator (optional)

Tentative Course Calendar and Test Schedule		
		Practice problems
Week 1	Chapter 1: The Role and Environment of Managerial Finance	All odds, plus evens for which answers are available in the text
Weeks 2-3	Chapter 2: Financial Statement and Analysis	Same as above, up to P2-20.
Weeks 3-4	Chapter 3: Cash Flow and Financial Planning	P3-1 to P3-9
	February 6: Test 1; Chapters 1 – 3	
Week 5-6	Chapter 4: Time Value of Money	All problems for which answers are available in the text
Week 7	Chapter 5: Risk and Return	Same as above
Week 8	Chapter 6: Interest Rates and Bond Valuation	Same as above
	March 6: Test 2; Chapters 4 – 6	
Week 9	Chapter 7: Stock Valuation	P7-1 to P7-11 where answers are available
Weeks 10-11	Chapter 8: Capital Budgeting Cash Flows	P8-1 to P8-18
Weeks 11-12	Chapter 9: Capital Budgeting Techniques: Certainty and Risk	P9-1 to P9-16
	April 3: Test 3; Chapters 7 – 9	
Week 13-14	Chapter 10: The Cost of Capital	All problems for which answers are available in the text
Week 14-15	Chapter 11: Leverage and Capital Structure (Extra Credit Chapter) Chapter 12: Dividend Policy	All problems for which answers are available in the text
Week 15	Review April 24: COMPREHENSIVE FINAL EXAM	

IMPORTANT NOTE: Some concepts in Chapter 11 - – leverage, EBIT-EPS etc - are more involved than the concepts in other chapters. Chapter 11 is therefore considered an extra credit chapter. The quiz for this chapter will account for 3% extra credit. There will also be a section on the Final Exam that will be worth an additional 2%. UNDERSTANDING OF BREAK-EVEN POINT, HOWEVER, IS REQUIRED.

Evaluation:

3 Tests	60%
Chapter quizzes	15%
Final	25%
Chapter 11 quiz	Extra credit

Grading scale:

90%-100%	A
80%-89%	B
70%-79%	C
60%-69%	D
Below 60%	F

Syllabus Statement for Persons with Disabilities:

GSU is committed to providing all students equal access to all university programs and facilities. Students who have a documented physical, psychological, or learning disability and need academic accommodations, must register with Access Services for Students with Disabilities (ASSD). Please contact the Coordinator of ASSD in Room B1201 in person; by e-mail, assd@govst.edu; or by calling 708-235-3968. If you are already registered, please contact your instructor privately regarding your academic accommodations.

Learning resources

Student Development Center provides tutorial assistance for Finance. Please contact the Student Development Center as early as possible if you feel you need extra help.

Course policies

Tests: Tests have a take-home and an in-class component. The take-home component will comprise mostly computational and essay-type questions, and will be due on the day of the in-class test. The in-class test will be mostly conceptual, with some short computational problems.

Wherever required, you will be expected to show all your work (steps) on the tests. Partial credit will be awarded for partially correct work, even if you are unable to arrive at the final answer. Likewise, if you have the final answer but no work to support it, you will receive only partial credit.

Take home components must be turned in, and in-class components taken, on the scheduled test dates. If you have scheduling conflicts and need to schedule with the testing center, please e-mail me your take-home sections on / before the scheduled test date. There will be a penalty on take-home components turned in after the due date.

Practice problems: To ensure a good understanding of the subject, it is recommended that you work out all end-of-chapter problems. You are encouraged to bring up problems for discussion if your answer does not tally with that provided in the text.

Governors State University Mission Statement:

“Governors State University is committed to offering an exceptional and accessible education that imbues students with the knowledge, skills, and confidence to succeed in a global society. GSU is dedicated to creating an intellectually stimulating public square, serving as an economic catalyst for the region, and being a model of diversity and responsible citizenship.”