

**COURSE SYLLABUS - FIN 531**  
**Fall 2007**

**INSTRUCTOR:** Dr. Bala Maniam      **COURSE TITLE:** Introduction to Institutions,  
Investments and Managerial Finance

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**OFFICE HOURS:** Mon:            9:30 a.m. - 12:45 p.m.  
Fri:                    11:00 a.m. - 2:30 p.m.  
Other time:        By appointment

**REQUIRED TEXT:** Fundamentals of Corporate Finance by Richard A. Brealey, Stewart C. Myers, and Alan J. Marcus, 5<sup>th</sup> edition, McGraw-Hill Irwin Publishers, 2007.

**CALCULATOR:** All students are required to bring business calculator to class daily. The instructor will be using the Texas Instrument's Business Analysis calculator (BA II PLUS Professional). Students are strongly encouraged to get the same or the BA II Plus Professional.

**COURSE DESCRIPTION:** A thorough understanding of financial institutions, investments and corporate finance is the core of this course. In the financial institution area it covers the creation and control of money and credit, security markets, and international finance. This is followed by investments area where it is discussed from an individual investor's perspective. Finally, business finance from the perspective of a financial manager is analyzed.

**STUDENT SYLLABUS GUIDELINES:** You may find online a more detailed description of the following policies. These guidelines will also provide you with a link to the specific university policy or procedure: <http://www.shsu.edu/syllabus/>

**COURSE OBJECTIVES:** This course will provide a comprehensive study of the fundamental principles and theoretical framework of financial institutions, investments and managerial finance. The course will focus on financial institutions at the macro level, and at the micro level for investments and managerial finance. Students are expected to achieve a working knowledge of these three functional areas of finance at the end of the semester. Specifically,

1. Understand corporation and the role of financial manager.
2. The role of financial markets and institutions
3. Have a clear understanding of accounting and finance
4. Understand time value of money and its application to corporate finance
5. Demonstrate an understanding of and ability to value bonds and their appropriate yields.
6. Demonstrate an understanding of and ability to value stocks.
7. Demonstrate an understanding of and ability to apply the various tools of capital

- budgeting.
8. Demonstrate the understanding of discounted cash-flow analysis to make investment decisions.
  9. Demonstrate the understanding of project analysis
  10. Understand risk and return and opportunity cost of capital.
  11. Understand risk and return and its context in capital budgeting.
  12. Understand cost of capital
  13. Understand corporate financing and governance.
  14. Understand venture capital, IPOs, and seasoned issues.
  15. Understand long-term debt and its importance to a firm
  16. Understand and be able to analyze financial statements
  17. Understand the short-term financial planning and working capital management
  18. Demonstrate an understanding of international finance

**EVALUATION CRITERIA:** The course evaluation are based on the following criteria

**Essential Objectives**

1. Learning fundamental principles, generalizations or theories
2. Learning to apply course material

**Important Objective**

3. Developing skill in expressing oneself orally or in writing

**ATTENDANCE:** Regular class attendance is necessary to do well in my class and attendance will be taken during each class period.

**HOMEWORK:** Homework will be assigned and collected at the beginning of the class.

**EXAMS:** Exams are designed to test your understanding of facts, concepts, and problem-solving methods. Your ability to perform well on exams will require a large amount of preparation involving EXTENSIVE individual practice on problems and examples in the text. It is up to YOU to motivate yourself to devote the appropriate amount of time to such practice. There will be three semester exams and a comprehensive final exam. No make-up exams will be given.

**READING:** The nature of the course necessitates that the chapters from the text and other assigned materials be read before coming to class. Discussions will be presented with the assumption that materials have been read and studied by each student. There are topics and terms which are purely descriptive and will be discussed in class only to the extent that the class members have questions.

**RESEARCH PROJECT**

Every student is expected to turn in a twenty page research paper. The instructor will suggest some topics in class. The paper must be typed using 12 cpi font, double spaced with 1 inch margins on all sides. More details are given in separate handout.

**GRADES:** The following make up this class grade.

Exams (3)

300

Final exam	100
Research Project	200
Homework/Class Participation	<u>100</u>
Total	700

The usual 90% or higher is an A, 80%-89.9% is a B, 70%-79.9% is a C, and below 70% is a F.

***TENTATIVE SCHEDULE:***

<b>Dates</b>	<b>Subject</b>
Aug. 21 – Sept. 11	The corporation and the financial manager, why corporations need financial markets and institutions, accounting and finance, time value of money
<b>Sept. 18</b>	<b>Exam 1 (Ch 1 - 4 and notes)</b>
Sept. 25 – Oct 16	Valuing bonds, valuing stocks, NPV and other investment criteria, discounted cash-flow analysis to make investment decisions, project analysis
<b>Oct. 23</b>	<b>Exam 2 (Ch 5 - 9 and notes).</b>
Oct 30 – Nov. 20	Risk and return and the opportunity cost of capital. Risk and return and capital budgeting, cost of capital
<b>Nov. 27</b>	<b>Exam 3 (Ch 10 - 12 and notes).</b>
Dec 4	Corporate financing and governance, venture capital, IPOs, and seasoned issues, Debt policy, financial statements analysis, short-term financial planning and working capital management, and international finance
<b>TBA</b>	<b>Exam 4: Comprehensive Exam</b>

Note: The exam date is subject to change if need arises. Any change announcement will be made at least one week prior to the scheduled date. Please check with your class mates for any change announcement if you are absent on a particular date.

***RELIGIOUS HOLY DAYS:*** Students who are absent from class for observance of a religious holy day will be allowed to take an examination or complete an assignment scheduled for that day within one (1) week of returning to class. The student, not later than the 15th calendar day after the first day of the semester, must notify the instructor in writing of each scheduled class day that he/she will be absent for a religious holy day.

***DISABLED STUDENTS POLICY:*** It is the policy of Sam Houston State University that no otherwise qualified disabled individual shall, solely by reason of his/her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any academic or Student Life program or activity. Disabled students may request academic assistance when needed from a Committee for Continuing Academic Assistance for Disabled Students by visiting the Director of the Counseling Center in the Lee Drain Building Annex or by calling extension 1720.

***ACADEMIC HONESTY:*** "Students are expected to maintain complete honesty and integrity in the academic experience both in and out of the class room. Any student found guilty of dishonesty in any phase of academic work will be subjected to disciplinary action." Code of

Student Conduct and Discipline, Section 5.3, as printed in Guidelines. Members of this class are subject to these guidelines.

**NO CELL OR PAGERS:** All cell phones and pages must be turned off while in class. Anyone caught text-messaging or using their cell phone or pager will be told to leave the class immediately. Also 10 points will be subtracted from the following exam for such violation.

**OTHERS:**

- a. **The Wall Street Journal:** Students are required to read The Wall Street Journal daily and initiate discussions in class on topics relevant to class material. It will also help in your research topic and bonus questions may be given in the exam based on the readings from WSJ.
- b. **Seating:** A seating chart will be circulated at the beginning of the second class period. Your seat at that time will become your permanent seat. This helps me learn your name quickly and helps you learn your classmates' names.
- c. **Exam period:** During exams a student is permitted to leave the room only upon the completion of the exam and after turning in the exam to the professor.
- d. **No hat policy:** Students are expected to either take off their hats while in class or flip it around (so the front of the hat is now at the back). Please note failure to do so will result in points deducted from your forthcoming exams.
- e. **No drinks/food policy:** Students are not allowed to bring any kinds food or drinks into the class room (except bottled water) into the classroom.

**Research Paper Requirements and Due Dates**

1. Pick one of the suggested topics and look for academic articles after first day of class.
2. Be sure you can get **at least 20 peer-reviewed journal articles.** One good place is JSTOR data base which we have at SHSU.
3. Draft an outline of the paper so you have some idea on the direction that you plan to take in the paper. Also a one page double space proposal of the paper is due on Sept. 4<sup>th</sup> 2007.
4. Compile your references (>20) and turn it in on Sept. 25<sup>th</sup>. 2007.
5. Your draft of the paper is due on Oct. 30<sup>th</sup> 2007. You need to submit your paper to turnitin.com to check for similarities before submitting your draft to me. You need to fix those similarities and then you submit it for my suggestions.
6. You will then incorporate my suggestions and submit your paper one more time into turnitin.com and fix any similarities found and then submit your final paper to me. Please note that you have to request via email that I delete your first draft in turnitin.com before you can submit your second draft.
7. Turn it all your references, a disk copy of your final paper as well as a hard copy of your paper on Dec. 4<sup>th</sup> 2007.