

MBA 765 – FINANCIAL DECISION MAKING

Textbook

- Financial Management: Theory & Practice by Brigham & Ehrhardt, 14th edition 2014, Cengage Learning. The textbook available in the UNLV bookstore is a custom version. Basically it only includes the chapters we will use in class and results in a significantly lower price. If you wish to buy the full text (either used or new) that will work also.
- Wall Street Journal
- Lecture outlines available on WebCampus.

Equipment

Students need a financial calculator. The Department of Finance approved calculators are the Texas Instruments BA II (various models), HP 10b (various models), and the HP 12-C (various models). The visible presence of any other electronic device during examinations is expressly forbidden and will be considered academic dishonesty. I recommend students use one of the Texas Instruments BA II models as the use of this calculator will be explained as part of the course.

You should bring a properly functioning calculator to class every day.

Course Objectives

This is an introductory course in basic financial management. Particular emphasis will be placed upon the understanding and use of financial analysis and financial logic as well as learning finance terminology. The following specific learning outcomes will be introduced in this class:

- Explain and apply analytical constructs to business problem solving.
- Use business information to estimate/assess the impact of decisions, behaviors, and external factors on the firm.
- Interpret several different performance measures specific to business outcomes.

Studying for Managerial Finance

Sometimes a class is tightly focused around a textbook. This is **not** the case for MBA 765. This class is tightly focused around the material covered in class. The textbook provides a source to read about the materials covered in class. It also serves as a reference book with equations, and definitions among other things. We will not cover all topics in the textbook chapters and everything we discuss in class will not be found in the textbook. You will need to pay particularly close attention in class and use the textbook as reinforcement and to assist you to understand what we do in class rather than the other way around. Generally I will use the same notation, symbols and abbreviations as the textbook with a few exceptions.

Homework problems will be assigned but not collected. You are strongly encouraged to attempt working problems before class. Be careful as you solve problems not to memorize the solution. Instead be sure to **understand each step taken in solving the problems**. This will provide much better preparation for exams and quizzes.

Organization of Topics – Topics will be covered in the order indicated below.

Chapter 1 – An Overview of Financial Management and the Financial Environment

Chapter 4 – Time Value of Money – Problems #10, 11, 3, 12, 13, 14, 7, 8, 16, 17, 18, 19, 20, 23, 25 & 31

Chapter 2 – Financial Statements, Cash Flow, and Taxes – **We will not be covering this chapter as the material you need from it (primarily financial statements) has already been covered in your MBA accounting class!**

Chapter 3 – Analysis of Financial Statements – Problems #2, 3, 5, 9, 11 & 13

Chapter 5 – Bonds, Bond Valuation, and Interest Rates – Problems #1, 2, 5, 7, 8, 9, 10, 11, 16 & 21.

Chapter 6 – Risk and Return – Problems #1, 2, 3, 7 & 10.

Chapter 7 – Valuation of Stocks and Corporations – Problems #1, 2, 5, 10, 12, 14 & 16

Chapter 9 – The Cost of Capital – Problems #1, 2, 3, 5, 6, 7, 9, 10, 11, 13, 14, 15 & 16

Chapter 10 – The Basics of Capital Budgeting: Evaluating Cash Flows – Problems #1, 2, 3, 4, 5, 6, 7, 9, 10 (do not compute the PI), 13 a-c, 15 a-b, 19 & 20.

Chapter 11 – Cash Flow Estimation and Risk Analysis

Chapter 15 – Capital Structure Decisions

Chapter 14 – Distributions to Shareholders: Dividends and Repurchases

Grades

Your final grade for the course will consist of the following:

Quizzes	20%
Exam I (Thursday, September 29 th)	25%
Exam II (Thursday, November 3 rd)	25%
Final Exam (Thursday, December 15, 6:00 to 8:00 pm)	<u>30%</u>
Total	100%

Your final grade is determined from your performance as outlined above. There is no way to obtain extra credit. If you have a personal problem that will harm your performance in class, such as an accident, poor health or a death in your family let the instructor know before it leads to a bad grade. If a situation such as this is likely to impact your performance on an exam, we can more than likely reschedule your exam to accommodate the situation. Also an incomplete or withdrawal can be given, but once the bad grade has been earned, it is too late to change it. A withdrawal is **not** permitted by university policy after November 4th for any reasons. An incomplete can be given for emergency situations, but are not given because you are unsatisfied with your grade.

All exams must be taken at the designated time unless prior permission to change the exam time has been obtained from the professor. A zero will be assigned for exams that are missed without being excused by the instructor prior to the exam.

Grades can **not** be given over the telephone.

Letter grades are assigned as follows:

$A \geq 92$	$90 \leq A- < 92$	
$88 \leq B+ < 90$	$82 \leq B < 88$	$80 \leq B- < 82$
$78 \leq C+ < 80$	$72 \leq C < 78$	$70 \leq C- < 72$
$68 \leq D+ < 70$	$62 \leq D < 68$	$60 \leq D- < 62$
$F < 60$		

Quizzes

Quizzes will be frequent and not announced. There will be no make-up for missed quizzes under any circumstances. The scores from your lowest two quizzes will be dropped.

Additional Policies

Attendance-Attendance is not taken in class, but you are responsible for all assignments and information given in class.

Academic Misconduct—Academic integrity is a legitimate concern for every member of the campus community; all share in upholding the fundamental values of honesty, trust, respect, fairness, responsibility and professionalism. By choosing to join the UNLV community, students accept the expectations of the Student Academic Misconduct Policy and are encouraged when faced with choices to always take the ethical path. Students enrolling in UNLV assume the obligation to conduct themselves in a manner compatible with UNLV’s function as an educational institution.

An example of academic misconduct is plagiarism. Plagiarism is using the words or ideas of another, from the Internet or any source, without proper citation of the sources. See the Student Academic Misconduct Policy (approved December 9, 2005) located at: <https://www.unlv.edu/studentconduct/student-conduct>.

Copyright—The University requires all members of the University Community to familiarize themselves with and to follow copyright and fair use requirements. You are individually and solely responsible for violations of copyright and fair use laws. The university will neither protect nor defend you nor assume any responsibility for employee or student violations of fair use laws. Violations of copyright laws could subject you to federal and state civil penalties and criminal liability, as well as disciplinary action under University policies. Additional information can be found at: <http://www.unlv.edu/provost/copyright>.

Disability Resource Center (DRC)—The UNLV Disability Resource Center (SSC-A 143, <http://drc.unlv.edu/>, 702-895-0866) provides resources for students with disabilities. If you feel that you have a disability, please make an appointment with a Disabilities Specialist at the DRC to discuss what options may be available to you. If you are registered with the UNLV Disability Resource Center, bring your Academic Accommodation Plan from the DRC to the instructor during office hours so that you may work together to develop strategies for implementing the accommodations to meet both your needs and the requirements of the course. Any information you provide is private and will be treated as such. To maintain the confidentiality of your request, please do not approach the instructor in front of others to discuss your accommodation needs.

Religious Holidays Policy—Any student missing class quizzes, examinations, or any other class or lab work because of observance of religious holidays shall be given an opportunity during that semester to make up missed work. The make-up will apply to the religious holiday absence only. It shall be the responsibility of the student to notify the instructor within the first 14 calendar days of the course for fall and spring courses (excepting modular courses), or within the first 7 calendar days of the course for summer and modular courses, of his or her intention to participate in religious holidays which do not fall on state holidays or periods of class recess. For additional information, please visit: <http://catalog.unlv.edu/content.php?catoid=6&navoid=531>.

Transparency in Learning and Teaching—The University encourages application of the transparency method of constructing assignments for student success. Please see these two links for further information:

<https://www.unlv.edu/provost/teachingandlearning>
<https://www.unlv.edu/provost/transparency>

Incomplete Grades—The grade of I—Incomplete—can be granted when a student has satisfactorily completed three-fourths of course work for that semester/session but for reason(s) beyond the student’s control, and acceptable to the instructor, cannot complete the last part of the course, and the instructor believes that the student can finish the course without repeating it. The incomplete work must be made up before the end of the following regular semester for undergraduate courses. Graduate students receiving “I” grades in 500-, 600-, or 700-level courses have up to one calendar year to complete the work, at the discretion of the instructor. If course requirements are not completed within the time indicated, a grade of F will be recorded and the GPA will be adjusted accordingly. Students who are fulfilling an Incomplete do not register for the course but make individual arrangements with the instructor who assigned the I grade.

Library—Students may consult with a librarian on research needs. For this class, the subject librarian is https://www.library.unlv.edu/contact/librarians_by_subject. UNLV Libraries provides resources to support students’ access to information. Discovery, access, and use of information are vital skills for academic work and for successful post-college life. Access library resources and ask questions at <https://www.library.unlv.edu/>.

Tutoring and Coaching—The Academic Success Center (ASC) provides tutoring, academic success coaching and other academic assistance for all UNLV undergraduate students. For information regarding tutoring subjects, tutoring times, and other ASC programs and services, visit <http://www.unlv.edu/asc> or call 702-895-3177. The ASC building is located across from the Student Services Complex (SSC). Academic success coaching is located on the second floor of the SSC (ASC Coaching Spot). Drop-in tutoring is located on the second floor of the Lied Library and College of Engineering TEB second floor.

UNLV Writing Center—One-on-one or small group assistance with writing is available free of charge to UNLV students at the Writing Center, located in CDC-3-301. Although walk-in consultations are sometimes available, students with appointments will receive priority assistance. Appointments may be made in person or by calling 702-895-3908. The student’s Rebel ID Card, a copy of the assignment (if possible), and two copies of any writing to be reviewed are requested for the consultation. More information can be found at: <http://writingcenter.unlv.edu/>.

Rebelmail—By policy, faculty and staff should e-mail students’ Rebelmail accounts only. Rebelmail is UNLV’s official e-mail system for students. It is one of the primary ways students receive official university communication such as information about deadlines, major campus events, and announcements. All UNLV students receive a Rebelmail account after they have been admitted to the university. Students’ e-mail prefixes are listed on class rosters. The suffix is always @unlv.nevada.edu. Emailing via WebCampus is acceptable.

Final Examinations—The University requires that final exams given at the end of a course occur at the time and on the day specified in the final exam schedule. See the schedule at: <http://www.unlv.edu/registrar/calendars>.