

**Management 31000 – Financial Management
Spring 2019 Course Outline and Syllabus**

Section 003: TR 7:30a – 8:45a in RAWL 1011
Section 004: TR 10:30a – 11:45a in KRAN G018
Section 005: TR 12:00p – 1:15p in KRAN G018

Instructor: Prof. Ben McCartney
Office: KRAN 439
Office Hours: By Appointment
Email: wmccartn@purdue.edu
Course Website: Blackboard

I. COURSE DESCRIPTION. In MGMT 310 we develop skills in financial analysis. We believe all students who aspire to be decision-makers and leaders, regardless of functional area of expertise, must understand the basic principles of finance. We study how to read and interpret financial statements, what the time value of money is, how to value projects, bonds, and stocks, and how to think about common issues in capital budgeting. Students will practice with online homework assignments. Three exams will test students on their mastery of the finance toolkit.

II. REQUIRED COURSE MATERIALS

a. Connect / Text. There is a required text for this course:

1. Connect Access Card

Fundamentals of Corporate Finance, 12th edition
Stephen Ross, Randolph Westerfield, and Bradford Jordan
McGraw/Hill-Irwin (RWJ)
ISBN: 978-1260153569

2. The connect access card grants you access to Connect Plus, the online website that was designed with the textbook. You will do your homework assignments on the website. You are **REQUIRED** to sign up for the On-Line Connect package. You must register using your **Purdue e-mail address** to ensure you receive credit for your homework. All students should register at the same place:

<http://connect.mheducation.com/class/mgmt310mccartney>

3. The connect access card also gives you access to the ebook and the SmartBook. These both contain the full text of the textbook. That is, if you want to buy only the Connect Access Card, you will have everything you need. If you would like, you can **also** purchase a loose-leaf version of the text or a hardback cover version. This is absolutely **not** required.

b. Paperback Books. During the course you will have three opportunities to read and respond to books for extra credit. This is not required, but I highly recommend all of these books!

1. Barbarians at the Gate: The Fall of RJR Nabisco

Bryan Burrough and John Helyar

ISBN: 978-0061655555

2. After the Music Stopped: The Financial Crisis, the Response, and the Work Ahead

Alan S. Blinder

ISBN: 978-0143124481

3. Thinking, Fast and Slow

Daniel Kahneman

ISBN: 978-0374533557

c. **Blackboard.** Lecture notes, slides, and other learning resources will be posted on Blackboard. The slides will provide only an outline of the material to be covered. Reading the text and working problems will provide the details necessary to do well on the homework and exams. I expect you to check the website for updates at least once a week.

d. **Calculator.** A financial calculator – either the Texas Instruments BAII Plus or Texas Instruments 30X – is required for this course. You will be allowed to use one or both of these calculators, and only these calculators, on the exams. Use of any other calculator on an exam is prohibited.

III. GRADING, ASSIGNMENTS, AND EXAMS

Connect Homework Assignments	250 points
In Class Exam 1	250 points
In Class Exam 2	250 points
Final Exam (Exam Week, Day TBA)	250 points
Total	1000 points
Paperback Write-Ups	Up to 45 bonus points

a. **Connect Homework Assignments.** There will be 12 homework assignments, 25 points each, due over the course of the semester. The homework assignments will be on Connect Plus. Late homework submissions will **not** be accepted under any circumstances. The lowest two homework scores will be dropped.

b. **Exams.** There will be 2 (two) in class exams and 1 (one) final exam during finals week. While the second and third exams are not “comprehensive” in the standard sense of the word, the material in this class builds heavily on itself; you would do well to not fall behind.

1. You are allowed to bring a handwritten 8.5” x 11” sheet of paper (both sides), a “cheat sheet”, to the exams. You may use the calculator assigned for the course. No other electronic aids will be permitted and their use will be considered cheating.

2. You are expected to take all three exams at the designated times. There will be **no** make-up exams (with the exception of a documented conflict during finals week).

- If you have a known conflict with a scheduled in class exam, you must inform me, by **email**, at least **one week** ahead of time (the earlier the better). If you are officially excused from

either of the in-class exams, I will use the average of your two other exams to make up for the missed exam. If you have a documented conflict with the final exam, we will schedule a make-up exam.

- If you miss any of the three exams due to an **unforeseen emergency**, please let me know, by **email**, as soon as possible. I will take the average of your other two exam scores and assign you that score for the missed exam.
- If you miss an exam for any other reason, I will use **80%** of the **minimum** of your other two exam scores to make up for the missed exam. For example, if you miss Exam 2 because you sleep through it and you scored a 185 on exam 1 and a 224 on exam 3, you will be assigned a 148 (80% * 185) for Exam 2.
- I reserve the right to adjust these policies on an ad hoc basis in the event of **extraordinary** circumstances. Above all else, please communicate with me your situation **as soon as possible**. The earlier you fill me in, the more time we have to work out a solution.

c. Attendance and participation. Students are encouraged to attend all class periods, however, I will **not** take attendance. Although I do not count participation towards the point total, I will take it in to account if you ask me to write you a letter of recommendation. I consider such things as asking thoughtful questions, respecting your fellow classmates' views on particular issues, contributing to a positive atmosphere in the class, not talking/disrupting class during lecture, and preparing for the scheduled lecture topic as positive class participation. Please prepare a name tag and place it in front of you on the desk before each class. If you miss class it is your responsibility to find out what was missed. Use your classmates to get the missed lecture material.

d. Paperback Book Write-Ups. Throughout the course, you will have the opportunity to earn extra credit by reading and responding to the three books listed above. For each book, you must do **all** of the following:

1. Pick your favorite chapter in the book and write ten "tweets" in response. That is, as you read the chapter respond with ten thoughts, questions, quips, or disagreements, that are each no longer than 140 characters.
2. You are interviewing for the CFO position at a small start-up that has built an app that helps consumers make personal finance decisions. The CEO and founder interviewing you asks, "Tell me about a book you read recently and how it changed the way you will approach this job." Answer this question using the extra credit book. Keep it under 200 words. (This is a real interview question.)
3. Your boss has asked you to read the book and distill it for her in a 10-slide presentation that captures the most important points of the book. Create this slideshow. Your boss likes figures, graphics, and visually appealing slides.

If submitted before 11:59pm on Sunday March 31, you can earn up to 15 points, or 1.5% of your final grade, for each write-up. If submitted before 11:59pm on Wednesday April 24, you can earn up to 10 points, or 1% of your final grade, for each write-up. Submissions after 11:59pm on April 24 will not be

accepted. It will be **hard** to get all the points on the write-up. You can do up to all three books. Your submissions must be **emailed** to me as **1 (one)** .pdf file with **3 (three)** sections.

- e. **Distribution.** The final target grade distribution for this course is 25% A/A-, 45% B+/B/B-, 30% C+/C/C-. Grades of D or F will be assigned as earned. I have a class target GPA for the class of 3.00.

IV. ACADEMIC HONESTY

- a. **Purdue University Honor Code.** The purpose of the Purdue University academic community is to search for truth and to endeavor to communicate with each other. Self-discipline and a sense of social obligation within each individual are necessary for the fulfillment of these goals. It is the responsibility of all Purdue students to live by this code, not out of fear of the consequences of its violation, but out of personal self-respect. As human beings we are obliged to conduct ourselves with high integrity. As members of the civil community we have to conduct ourselves as responsible citizens in accordance with the rules and regulations governing all residents of the state of Indiana and of the local community. As members of the Purdue University community, we have the responsibility to observe all University regulations.

To foster a climate of trust and high standards of academic achievement, Purdue University is committed to cultivating academic integrity and expects students to exhibit the highest standards of honor in their scholastic endeavors. Academic integrity is essential to the success of Purdue University's mission. As members of the academic community, our foremost interest is toward achieving noble educational goals and our foremost responsibility is to ensure that academic honesty prevails.

- b. **Cheating.** Academic dishonesty will not be tolerated!

1. **Online Homework.** Work on these together! I'm explicitly recommending that you do this! You must submit your own answers on Connect. Printing off your assignment and giving it to a friend to do is forbidden. Short of such blatant laziness and complete disregard for the spirit of the honor code, I encourage group work.
2. **Exams.** The exams are all in a lecture hall. If I catch you cheating on an exam you will fail the course. If you have any questions about what is allowed and what is not, please ask.
3. **Write-Ups.** Plagiarism is explicitly forbidden. You are encouraged to talk about the books with others, but everything you submit must be your own. If I catch you plagiarizing the work of your peers, people who have posted their own reviews or thoughts online, or indeed anybody at all, you will receive a **zero** on the extra credit assignment and **lose 50 points** from your total grade.

V. ADVERSE WEATHER CONDITIONS AND EMERGENCY PREPAREDNESS

- a. **Weather.** The University takes into consideration local and regional weather conditions, travel conditions and decisions by local school districts when deciding whether to delay, dismiss or cancel classes and/or routine operations for an entire campus due to Adverse Weather Conditions. When conditions warrant, a decision to delay, dismiss, or cancel classes and/or routine operations is coordinated with appropriate local city, county or state officials and communicated to faculty, staff and students of the affected campus. The decision to delay, dismiss or cancel classes and/or routine operations for the West Lafayette campus is made by the President and for each of the Regional Campuses it is made by the Chancellor.

The President and the Chancellors will each assign a designee for such purposes to act in his or her absence.

b. Emergencies. Please take time to visit the website for Emergency Preparedness at the following link: www.purdue.edu/ehps/emergency_preparedness/emergency/building-plan.html as well as the website for Environmental Health and Public Safety at <http://www.Purdue.edu/EHPS>. Also, if you have not already done so, please make sure to sign up for Purdue Alert text messages at <http://www.purdue.edu/ea>.

VI. Course Schedule. I will try to follow the schedule closely, but it is subject to change. Adjustments will be announced in class and on Blackboard.

Class	Day	Date	Ch.	Chapter Title	Assignment
PART I: DOCUMENTING THE MONEY					
1	Tues	1/8	1	Introduction to Corporate Finance	
2	Thurs	1/10	2	Financial Statements, Taxes, Cash Flow	
3	Tues	1/15	2	Financial Statements, Taxes, Cash Flow	HW 1, due Wed 1/16 at 11:59pm
4	Thurs	1/17	3	Working with Financial Statements	
5	Tues	1/22	3	Working with Financial Statements	HW 2, due Wed 1/23 at 11:59pm
6	Thurs	1/24	4	Long-Term Financial Planning & Growth	
PART II: VALUING THE MONEY					
7	Tues	1/29	5	The Time Value of Money	HW 3, due Wed 1/30 at 11:59pm
8	Thurs	1/31	5	The Time Value of Money	HW 4, due Sun 2/3 at 11:59pm
9	Tues	2/5		Review for Exam 1	
10	Thurs	2/7	Exam #1 – In Class – Covers Chapters 1-5		
11	Tues	2/12	6	Discounted Cash Flow Valuation	
12	Thurs	2/14	6	Discounted Cash Flow Valuation	
13	Tues	2/19	6	Discounted Cash Flow Valuation	HW 5, due Wed 2/20 at 11:59pm
14	Thurs	2/21	7	Interest Rates and Bond Valuation	
15	Tues	2/26	7	Interest Rates and Bond Valuation	HW 6, due Wed 2/27 at 11:59pm
16	Thurs	2/28	8	Stock Valuation	
17	Tues	3/5	8	Stock Valuation	HW 7, due Wed 3/6 at 11:59pm
18	Thurs	3/7		M&M Day	
	3/12, 3/14		Spring Break		
19	Tues	3/19		Review for Exam 2	HW 8, due Wed 3/20 at 11:59pm
20	Thurs	3/21	Exam #2 – In Class – Covers Chapters 6-8		
PART III: MAKING THE MONEY					
21	Tues	3/26	9	NPV and Other Investment Criteria	
22	Thurs	3/28	9	NPV and Other Investment Criteria	HW 9, due Sun 3/31 at 11:59pm
	Sun	3/31		Last day to submit extra credit write-ups for 15 points each	
23	Tues	4/2	10	Making Capital Investment Decisions	
24	Thurs	4/4	10	Making Capital Investment Decisions	
25	Tues	4/9	10	Making Capital Investment Decisions	HW 10, due Wed 4/10 at 11:59pm
26	Thurs	4/11	11	Project Analysis and Evaluation	
27	Tues	4/16	11	Project Analysis and Evaluation	
28	Thurs	4/18	11	Project Analysis and Evaluation	HW 11, due Sun 4/21 at 11:59pm
29	Tues	4/23		Personal Finance Crash Course	
	Wed	4/24		Last day to submit extra credit write-ups for 10 points each	
30	Thurs	4/25		Review for Exam 3	HW 12, due Sun 4/28 at 11:59pm
Exam Week			Exam #3 – TBA – Covers Chapters 9-11		