

**Management 31000 – Financial Management
Spring 2021 Course Outline and Syllabus**

Section 001: MW 7:00p – 8:15p in KRAN 140

Section 002: MW 8:30p – 9:45p in KRAN 140

Instructor: Prof. Ben McCartney
Office: Zoom
Office Hours: By Appointment
Email: wmccartn@purdue.edu
Course Website: Brightspace

I. COURSE DESCRIPTION. In MGMT 310 we develop skills in financial analysis. 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. Eight online quizzes 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 (SmartBook), 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 assignments and take your quizzes 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:

https://connect.mheducation.com/class/mgmt310_spring2021_mccartney

Alternatively, you can go to our course in Brightspace. In “Conternt” -> “Table of Contents” you will see “Connect.” Clicking any of those links should take you to our course on Connect.

3. The connect access card also gives you access to the SmartBook (where you will have reading assignments) and the ebook. 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 (3) opportunities to read and respond to books for extra credit. This is not required, but I highly recommend all of these books!

1. Other People's Money: Inside the Housing Crisis and the Demise of the Greatest Real Estate Deal Ever Made

Charles Bagli

2. Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty

Abhijit Banerjee and Esther Duflo

3. Bad Blood: Secrets and Lies in a Silicon Valley Startup

John Carreyrou

4. Super Pumped: The Battle for Uber

Mike Isaac

5. Saving Capitalism from the Capitalists: How Open Financial Markets Challenge the Establishment and Spread Prosperity to Rich and Poor Alike

Raghuram Rajan and Luigi Zingales

6. The Color of Law: A Forgotten History of How Our Government Segregated America

Richard Rothstein

c. Brightspace. Lecture notes, slides, and other learning resources will be posted on Brightspace. 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 quizzes. I expect you to check the website for updates regularly.

d. Calculator. A financial calculator – either the Texas Instruments BAII Plus or Texas Instruments 30X – is recommended for this course. However, you may use any calculator you'd like or excel while working on the quizzes.

III. GRADING, ASSIGNMENTS, AND QUIZZES

LearnSmart Reading (4% each, drop one lowest)	28% of final grade
Quizzes (12% each, drop two lowest)	72% of final grade
Paperback Write-Ups	Up to 4.5% extra credit

a. LearnSmart Reading Assignments. There will be 8 reading assignments due over the course of the semester. The reading assignments will be on Connect Plus. Each reading assignment includes approximately 50 reading comprehension questions. Late submissions will **not** be accepted under any circumstances. The lowest score will be dropped.

b. Quizzes. There will be 8 online quizzes during the course of the semester. The quizzes are not "comprehensive" in the standard sense of the word, and each corresponds to one chapter in the textbook. That said, the material in this class builds heavily on itself.

1. The quizzes are completely open book, open note, and open internet. You can use any resources that you'd like. However, you are not allowed to work with other students or other people while taking the real quiz. During the 60 minutes that you are taking the quiz, you must be working through the questions yourself. Use of a financial calculator and/or excel is encouraged.
2. Each quiz will have a corresponding practice quiz that will be posted well in advance. You can take these as many times as you like and are encouraged to work with each other on them. The real quizzes will be very similar to the practice quizzes.
3. You will have 60 minutes for each quiz. You must take each quiz at some point in its designated window (see the calendar below). There will be **no** make-up quizzes for any reason.
4. I reserve the right to adjust these policies on an ad hoc basis in the event of **extraordinary** circumstances. Please communicate with me **as soon as possible** and **via email** with concerns. 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 classes. 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.

d. Paperback Book Write-Ups. Throughout the course, you will have the opportunity to earn extra credit by reading and responding to one of the six books listed above. You can earn extra credit for reading up to three books. 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, write down 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 April 4, you can earn up to 1.5% extra credit, for each write-up (for a total of 4.5% if you choose to read three books). If submitted before 11:59pm on Sunday May 2, you can earn up to 1% of your final grade, for each write-up. Submissions after

11:59pm on May 2 will not be accepted. It will be **hard** to get all the points on the write-up. You can read and respond to up to 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. This means that the answer to “What do I need for an A?” is “It depends.” If 100 students register for this course, the 25 highest grades will get an “A” and the next 45 will get a “B”. This is not my decision; it is the mandated target grade distribution for undergraduate courses at Krannert.

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. Practice Quizzes. Work on these together! I’m explicitly recommending that you do this!

2. Real Quizzes. The quizzes are online and are open book, open note, and open internet. But you must work on the quizzes **by yourself**. If I catch you working with another person (whether they are in the class or not) on a real quiz, 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 10%** 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 Brightspace.

Class	Day	Date	Ch.	Chapter Title	Pre-Reading Assignment
PART I: DOCUMENTING THE MONEY					
1	Wed	1/20		Syllabus and Introduction	
2	Mon	1/25	2	Financial Statements, Taxes, Cash Flow	Chapter 2, due at 6:00pm
3	Wed	1/27	2	Financial Statements, Taxes, Cash Flow	
4	Mon	2/1	2	Financial Statements, Taxes, Cash Flow	
5	Wed	2/3	3	Working with Financial Statements	Chapter 3, due at 6:00pm
2/4 12:01 pm - 2/5 4:00 pm			Quiz #1 – Online – Chapter 2		
6	Mon	2/8	3	Working with Financial Statements	
7	Wed	2/10	5	The Time Value of Money	
2/11 12:01 pm - 2/12 4:00 pm			Quiz #2 – Online – Chapter 3		
PART II: VALUING THE MONEY					
8	Mon	2/15	5	The Time Value of Money	Chapter 5, due at 6:00pm
9	Mon	2/22	5	The Time Value of Money	
10	Wed	2/24		Visitor: Brittany Whitenack	
2/25 12:01 pm - 2/26 4:00 pm			Quiz #3 – Online – Chapter 5		
11	Mon	3/1	6	Discounted Cash Flow Valuation	Chapter 6, due at 6:00pm
12	Wed	3/3	6	Discounted Cash Flow Valuation	
13	Mon	3/8	6	Discounted Cash Flow Valuation	
14	Wed	3/10	7	Interest Rates and Bond Valuation	
3/11 12:01 pm - 3/12 4:00 pm			Quiz #4 – Online – Chapters 6		
15	Mon	3/15	7	Interest Rates and Bond Valuation	Chapter 7, due at 6:00pm
16	Wed	3/17	7	Interest Rates and Bond Valuation	
3/18 12:01 pm - 3/19 4:00 pm			Quiz #5 – Online – Chapter 7		
17	Mon	3/22	8	Stock Valuation	Chapter 8, due at 6:00pm
18	Wed	3/24	8	Stock Valuation	
3/25 12:01 pm - 3/26 4:00 pm			Quiz #6 – Online – Chapter 8		
PART III: MAKING THE MONEY					
19	Mon	3/29	RE	Introduction to Real Estate Finance	
20	Wed	3/31	9	NPV and Other Investment Criteria	Chapter 9, due at 6:00pm
4/4, by 11:59 pm			Last day to submit extra credit write-ups for 1.5% each		
21	Mon	4/5	9	NPV and Other Investment Criteria	
22	Wed	4/7	9	NPV and Other Investment Criteria	
4/8 12:01 pm - 4/9 4:00 pm			Quiz #7 – Online – Chapter 9		
23	Mon	4/12		Visitor: Sam McCartney	
24	Wed	4/14	14	Weighted Average Cost of Capital	Chapter 14, due at 6:00pm
25	Mon	4/19	14	Weighted Average Cost of Capital	
26	Wed	4/21	14	Weighted Average Cost of Capital	
4/22 12:01 pm - 4/23 11:59 am			Quiz #8 – Online – Chapter 14		
27	Mon	4/26	PF	Personal Finance Crash Course	
28	Wed	4/28	PF	Personal Finance Crash Course	
5/2, by 11:59 pm			Last day to submit extra credit write-ups for 1.0% each		