

**Management 31000 – Financial Management
Spring 2022 Course Outline and Syllabus**

Section 002 (54252): TTh 7:30a – 8:45a in ARMS 1109
Section 001 (63404): TTh 10:30a – 11:45a in SMTH 108

Instructor: Prof. W Ben McCartney
Modality: Face-to-Face
Office: Zoom or KRAN 439
Office Hours: By Appointment
Email: wmccartn@purdue.edu (preferred means of contact)
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. 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:

- Connect Access Card
Fundamentals of Corporate Finance, 13th edition
Stephen Ross, Randolph Westerfield, and Bradford Jordan
McGraw/Hill-Irwin (RWJ)
ISBN: 978-1264250059
- 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:

https://connect.mheducation.com/class/mgmt310_spring2022_mccartney

Alternatively, you can go to our course in Brightspace. In “Course Content” you will see the assignments. Click on “HW 1 – Chapter 2” and that will take you to the correct page.

- The connect access card also gives you access to the ebook which contains 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!

- *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*
Abhijit Banerjee and Esther Duflo
- *The Color of Money: Black Banks and the Racial Wealth Gap*
Mehrsa Baradaran
- *Bad Blood: Secrets and Lies in a Silicon Valley Startup*
John Carreyrou
- *Super Pumped: The Battle for Uber*
Mike Isaac
- *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 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

a. Course Grade. The course grade will be based on homework assignments on Connect, two in-class midterm exams, and a final exam. Your course grade will be determined using the following weights:

Connect Homework Assignments	20% of final grade
In Class Exam 1	20% of final grade
In Class Exam 2	20% of final grade
Final Exam (Exam Week, Day TBA)	40% of final grade
Paperback Write-Ups	Up to 3% extra credit

If the class needs to move online for any reason, exams taken in person will be overweighted while exams taken online will be underweighted. I reserve the right to adjust the weights on the exams for this, or any other, reason.

b. Distribution. I have a target average class GPA of 3.00 as mandated for all 300 level classes at Krannert. I do not have any power to change this. To achieve this 3.00, I will follow approximately a final grade distribution for this course of 25% A/A-, 45% B+/B/B-, 30% C+/C/C-. Grades of D or F will be assigned as earned. At the end of the semester, the entire course will be curved such that the target GPA is met. There are currently 150 students registered across my two sections. This means I will be awarding roughly 37 As to the students scoring the highest, and roughly 67 Bs to the next highest scoring students.

It could be that the cutoff for an A is an 84% or it could be that the cutoff for an A is a 94%. It will depend entirely on the class's overall performance.

c. Connect Homework Assignments. There will be 8 homework assignments due over the course of the semester. The homework assignments will be on Connect. The release dates and due dates for each assignment are already posted on Connect, please plan accordingly. Late homework submissions will **not** be accepted under any circumstances. Each homework assignment will be worth 2.5%.

d. Exams. There will be 2 (two) in class exams and 1 (one) final exam during finals week.

- You are allowed to bring one 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.
- You are expected to take all three exams at the designated times. There will not be a dedicated time for make-up exams. In the event that you need to miss the exam, we will proceed as follows:
 - 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 assign you the score you received on the other in-class 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. If you miss a mid-term, I will assign you the score you received on the other in-class exam. We will determine what to do if an emergency causes you to miss the final on a case by case basis.
 - If you miss an exam for any other reason, you will receive a score of 0 for that exam.
 - 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.

e. 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. If you miss class, it is your responsibility to find out what was missed. Use your classmates to get the missed lecture material.

f. 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:

- 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. *[slide 1]*
- You are interviewing for the position of business analyst at a mid-size firm. The interviewer 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.) *[slide 2]*
- 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. *[slides 3 - 12]*

If submitted before 11:59pm on Sunday April 10, you can earn up to 3% extra credit, 1% for each write-up you complete. Submissions after 11:59pm on April 10 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)** file with **3 (three)** sections. You can send as either a .pptx or a .pdf file, but please make sure it’s one file.

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!

- **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.
- **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.

- **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 percentage points** from your total grade.

V. ADVERSE WEATHER CONDITIONS, EMERGENCY PREPAREDNESS, AND MISCELLANY

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.

- In the event of a snowday or some other foreseeable weather event, I plan to have class on Zoom. I will send out a link to the Zoom room either a few hours or the night before class is to be held.

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>.

c. Other Resources. Purdue provides many resources to ensure the health and safety of its students. Please take some time to familiarize yourself with what's available.

- Basic needs: <https://www.purdue.edu/caps/covid-19/resources-for-basic-needs.html>
- Counseling and Psychological Services: <https://www.purdue.edu/caps/>
- Student Legal Services: <https://www.purdue.edu/odos/sls/>
- Student Health: <https://www.purdue.edu/push/>
- Harrasment and Discrimination: <https://www.purdue.edu/harassment/>
- Other Resources: https://www.purdue.edu/purdue/current_students/index.php

d. COVID-19. In the event that Purdue's campus closes, for COVID-19 or any other reason, the class can and will transission to completely online. Lectures will be on Zoom and exams will be administered on Connect, most likely with some anti-cheating software required.

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	Assignment
PART I: DOCUMENTING THE MONEY					
1	Tues	1/11	-	Syllabus Day and Big Picture Overview	
2	Thurs	1/13	1	Introduction to Corporate Finance	
3	Tues	1/18	2	Financial Statements, Taxes, Cash Flow	
4	Thurs	1/20	2	Financial Statements, Taxes, Cash Flow	HW 1, due Mon 1/24 at 11:59pm
5	Tues	1/25	3	Working with Financial Statements	
6	Thurs	1/27	3	Working with Financial Statements	HW 2, due Mon 1/31 at 11:59pm
7	Tues	2/1	4	Long-Term Financial Planning & Growth	
8	Thurs	2/3	4	Long-Term Financial Planning & Growth	HW 3, due Mon 2/7 at 11:59pm
9	Tues	2/8		<i>Review for Exam 1</i>	
10	Thurs	2/10	Midterm Exam #1 – In Class – Covers Chapters 1-4		
PART II: VALUING THE MONEY					
11	Tues	2/15	5	The Time Value of Money	
12	Thurs	2/17	6	Discounted Cash Flow Valuation	
13	Tues	2/22	6	Discounted Cash Flow Valuation	
14	Thurs	2/24	6	Discounted Cash Flow Valuation	HW 4, due Mon 2/28 at 11:59pm
15	Tues	3/1	7	Interest Rates and Bond Valuation	
16	Thurs	3/3	7	Interest Rates and Bond Valuation	
17	Tues	3/8	7	Interest Rates and Bond Valuation	HW 5, due Wed 3/9 at 11:59pm
18	Thurs	3/10		Case Study: The Big Short	
	3/15, 3/17		Spring Break		
19	Tues	3/22	8	Stock Valuation	
20	Thurs	3/24	8	Stock Valuation	HW 6, due Mon 3/28 at 11:59pm
21	Tues	3/29		<i>Review for Exam 2</i>	
22	Thurs	3/31	Midterm Exam #2 – In Class – Covers Chapters 5-8		
PART III: MAKING THE MONEY					
23	Tues	4/5	9	NPV and Other Investment Criteria	
24	Thurs	4/7	9	NPV and Other Investment Criteria	
	Sun	4/10		Last day to submit extra credit write-ups (by 11:59pm)	
25	Tues	4/12	9	NPV and Other Investment Criteria	HW 7, due Wed 4/13 at 11:59pm
26	Thurs	4/14	14	Weighted Average Cost of Capital	
27	Tues	4/19	14	Weighted Average Cost of Capital	
28	Thurs	4/21	PF	Personal Finance Crash Course	
29	Tues	4/26	PF	Personal Finance Crash Course	HW 8, due Wed 4/27 at 11:59pm
30	Thurs	4/28		<i>Review for Exam 3</i>	
Exam Week			Final Exam #3 – TBA – Covers Chapters 1-9, 14, and Personal Finance		