

TOWSON UNIVERSITY
Department of Finance
Principles of Financial Management
FIN331
Spring 2011

Instructor: Moon-Whoan "Stephen" Rhee, Ph.D.
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Work Phone: 410-70-4075
Class Hours: MWF 1:00~1:50pm (331.007 ST307)
W 6:30~9:10pm (331.101 ST307)
Office Hours: W 3:20~6:20pm (official) and by appointment
W 10:00am~12:00pm (unofficial)
No appointment needed for official office hours
Email: turhee@hotmail.com
(Note your course & section number in the subject)
Course Home Page: www.towson.edu/~rhee

Pre-Requisites: Junior/major standing. [Acct (201/211), Acct (202/212), Econ (201/203), Econ (202/204), (Math (231/233) or Econ 205)]

Course Overview

The major objective of this course is to provide a solid foundation of the basic concepts of financial management. In addition to being a required course for all business students, this is the first course that a student desiring to specialize in finance can take. The emphasis of the course is on problem solving and decision-making. You will develop critical thinking and problem solving skills and gain an exposure to quantitative financial analysis. You will learn to identify problems and/or opportunities using cross-disciplinary concepts, generate and evaluate feasible alternatives, and develop recommendations and conclusions using qualitative and quantitative tools. You will develop the necessary knowledge skills and attitudes (KSAs) on several dimensions that define the profile of a College of Business and Economics graduate.

This course will introduce you to several fundamental financial management concepts and definitions such as time value of money, financial statement analysis, risk and return, stock and bond valuation, capital structure, capital budgeting, cost of capital, leverage (i.e., how much should a firm borrow), and working capital management. You will learn to think about the issues a corporate manager faces, and the choices a manager has in selecting a project, financing it and managing the project successfully.

Learning Objectives

The Student should be able to:

1. Understand the role of financial markets and how financial institutions relate to them.
2. Apply time value of money concepts as part of financial decision-making.
3. Price securities by applying security valuation models. This includes being able to identify the characteristics of the securities and the cash flow patterns they generate.
4. Apply basic capital budgeting techniques to evaluate capital acquisitions. This includes being able to identify relevant cash flows, to apply appropriate evaluation methods and risk adjustments, and to identify financing alternatives.

5. Analyze the basic financial statements of a company, calculate key financial ratios, interpret them, and identify strengths and weaknesses in the company's financial management policies.
6. Forecast a company's future capital requirements. This includes being able to estimate internally generated and externally available funds.
7. Understand situations involving financial ethics.

Text and Other Materials

1. Brigham Eugene, F and Houston, Joel, F. Fundamentals of Financial Management, Concise Sixth Edition, Thompson-South Western Publications.
2. Aplia On-line Homework Management System
http://pages.towson.edu/rhee/teaching/fin331/2011_spring/Aplia%20Registration.pdf
Course Key: Y4BH-ZGC6-KHXX
3. Texas Instruments BAI plus (Recommended and supported by the department.)
 - a. Students who choose to use an alternative calculator (e.g., TI83 or HP10B) are responsible for learning how to use the financial functions on their calculators. The following website provides tutorials on most financial calculators:
http://www.tvmcalcs.com/calculator_index.
 - b. The Texas Instruments BAI plus PROFESSIONAL is not necessary.

Course Outline

Topic	Chapter (B&H)	Week
Overview of Financial Management	Chapter 1+Summary	Week 1
Financial Statements, Cash Flow, and Taxes	Chapter 3	Week 2
Analysis of Financial Statements	Chapter 4	Week 3
Financial Markets and Institutions	Chapter 2	Week 4
Mid-term 1		Week 5
Interest Rates	Chapter 6	Week 6
Time Value of Money	Chapter 5	Week 7
Bonds and their Valuation	Chapter 7	Week 8
Risk and Return	Chapter 8	Week 9
Mid-term 2		Week 10
Stocks and their Valuation	Chapter 9	Week 11
Cost of Capital	Chapter 10	Week 12
Basics of Capital Budgeting	Chapter 11	Week 13-14
Cash Flow Estimation and Risk Analysis	Chapter 12	Week 15

Comprehensive Final, a block exam for all sections of Fin331, will be given at 3:00pm on 5/18

Grading Procedure

The course grade will be based on two mid-term exams, a comprehensive final exam, several quizzes, and several assignments on Aplia and other assignments. The overall course grade will be computed based on the following distribution

Mid Term Exams:	35% (25%(best)+10%)
Comprehensive Final Exam (5/18/2011 at 3:00 pm):	35%
Quizzes:	10%
Homework Assignments (Aplia and others)	20%

The final grade will be assigned based on the following distribution:

A 90 or better, B 80 or better, C 70 or better, D 60 or better, F below 60

Please note, the above cutoffs are exact and no rounding up will occur.

Course Policy

1. It is the university policy that students may repeat a course only once when credit has been earned or a grade of "F" has been awarded
2. No make-ups for any exams.
4. Students caught cheating on an exam or graded assignments will receive an "F" in the course.

Academic Integrity:***Student Academic Integrity Policy (Towson Undergraduate Catalog p.277):***

"The acquisition, sharing, communication and evaluation of knowledge is at the core of a university's mission. To realize this part of its mission, a university must be a community of trust. Because integrity is essential to the purpose of an academic community, the responsibility for maintaining standards of integrity is shared by all members of that academic community."

The Student Academic Integrity Policy as it pertains to this class: There is no tolerance of academic dishonesty in this class. Any violations are sanctioned by the professor.

Learning Disabilities:

To request academic accommodations due to a disability, please contact the **Disability Support Services Office** at (410) 704-2638. If you have a letter from their office indicating that you have a disability which requires academic accommodations, please present the letter to me during the first week of class so that we can discuss the accommodations that you might need in this class.

Need Help? Students who need help during the course should not hesitate to see me with questions on lecture material or other course content.

Miscellaneous: My Schedule & Reading Assignments are tentative and subject to changes as the semester progresses. Please check my e-mail on a regular basis.

University Special Announcement: Students should not attend classes or other university events from the onset of flu-like symptoms until at least 24 hours after the fever subsides without the use of fever reducing medications. Such absences will be considered excused absences; however, students are responsible for the material covered during the period of their absence.

KSAs: Relevant KSAs for this course include Thinking (problem solution, flexible thinking in new ways, integration of accounting and economics subjects, etc.), Business Content and Practical Excellence (computations and estimations).

Expectations: An average student needs to spend about one hour a day, five hours per week on this subject, exclusive of class hours and preparations for exams. This is a 300 level course and your professional behavior is expected. I expect you to come to class prepared and **actively** participate in class discussions. Don't do anything to distract the class and a lower mark may be given to those who distract the class.

Repeated course policy: Students may repeat a course only once. For a third attempt, a student must obtain a written approval from the Academic Standards Committee. Students who do not obtain written permission for a third attempt enroll at their own risk.

CBE Standard: Regardless of the subject matter, the student will be held accountable for proper grammar and correct spelling for all written assignments, including exams.