

FINANCE 5013 – MBA BUSINESS FINANCE
Instructor: David A. Carter, Ph.D.
Fall Semester, 2009

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Technical and enrollment support: CEPD Distance Learning Office, 108 Gundersen, (866) 678-3933, or cepd-dl@okstate.edu.

Textbooks & Supplies:

Ross, Stephen A., Randolph W. Westerfield, and Jeffrey Jaffe, 2008, *Corporate Finance, 8th edition*, McGraw-Hill Irwin. (ISBN: 978-0073337180) [Required]

Fox, Justin, 2009, *The Myth of the Rational Market: A History of Risk, Reward, and Delusion on Wall Street*, Harper Business. (ISBN: 006-059899-9) [Required]

Mayes, T.R. and T.M. Shank, 2009, *Financial Analysis with Microsoft Excel, 5th ed.*, Thomson/South-Western. (ISBN: 1-439-04037-0) [Recommended]

You will also need a financial calculator - I use a Texas Instruments BAI Plus (a BAI plus can be purchased for around \$30).

Finally, the Wall Street Journal is a great source for business and financial news. I encourage you to read it. A semester-long student subscription is available at a reasonable cost.

Prerequisites: Graduate standing.

Purpose: The objective of this course is to provide you with a broad exposure to the theory and practice of corporate financial decision-making. We will study a number of important concepts, including: time-value-of-money, financial statements, risk and return, and capital budgeting. Additionally, we will focus on the use of a spreadsheet (e.g., Microsoft Excel) to develop models that can be used in the financial decision-making process. Therefore, in addition to learning and applying finance concepts, you will also improve and refine your computer skills.

Grading: The grading for this course will be weighted as follows:

Assignments	25%
Midterm Exams (2 @ 25%)	50%
<u>Comprehensive Final Exam</u>	<u>25%</u>
Total	100%

I will use the following grade scale to assign a final letter grade for the course (note: I reserve the right to make adjustments to the grade scale as necessary, nevertheless, it will not be more difficult to receive a given letter grade than shown below):

A = 90% +

B = 80 to <90%

C = 70 to <80%

D = 60 to <70%

F = <60%

Exams. There will be two midterm exams and a **comprehensive** final exam given during the semester. I will give a window of several days within which to take the exams. **I DO NOT** drop the lowest exam score. However, I will replace your lower midterm score with your score on the final (assuming the final score is higher than one of the midterms). This means that if you miss **ONE** of the midterms (or do poorly on a midterm), the weight of the final exam will be increased to reflect the missed exam. A subsequent missed exam will result in a grade of zero.

If the average score on any exam (midterm or final) is less than 80%, I will adjust scores upward so that the average is 80%. If the average is above 80%, no adjustment will be made (I will not adjust downward).

Assignments. There will be a number of assignments due during the semester. I will allow a few days grace period with respect to the due dates for the assignments. However, assignments turned in after I post the answer key will be considered late, unless you have made prior arrangements with me. Late assignments will be accepted for one-third credit. You may discuss the assignments with your classmates but I expect that the assignment you turn in will be your own work. Duplicate wording or formatting on assignments will be considered cheating and penalized according to university policy.

Disability: According to the Americans with Disabilities Act, each student with a disability is responsible for notifying the University of his/her disability and requesting accommodations. If you think you have a qualified disability and need special accommodations, you should notify the instructor and request verification of eligibility for accommodations from the Office of Student Disability Services (315 Student Union). Please advise the instructor of your disability as soon as possible, and contact Student Disability Services, to ensure timely implementation of appropriate accommodations. Faculty have an obligation to respond when they receive official notice of a disability but are under no obligation to provide retroactive accommodations. To receive services, you must submit appropriate documentation and complete an intake process during

which the existence of a qualified disability is verified and reasonable accommodations are identified. Call 744-7116 or <http://sds.okstate.edu> for more information.

Academic

Dishonesty:

Oklahoma State University is committed to the maintenance of the highest standards of integrity and ethical conduct of its members. This level of ethical behavior and integrity will be maintained in this course. Participating in a behavior that violates academic integrity (e.g., unauthorized collaboration on homework or assignments, plagiarism, multiple submissions of the same assignment, cheating on examinations, fabricating information, helping another person cheat, having unauthorized advance access to examinations, altering or destroying the work of others, and fraudulently altering academic records) will result in your being sanctioned. Violations may subject you to disciplinary action including the following: receiving a failing grade on an assignment, examination or course, receiving a notation of a violation of academic integrity on your transcript, and being suspended from the University. You have the right to appeal the charge. Contact the Office of Academic Affairs, 101 Whitehurst, 405-744-5627, or see <http://academicintegrity.okstate.edu> for details.

CLASS SCHEDULE AND ACTIVITIES

This schedule serves as a **guide** only. It may be necessary to make adjustments from time-to-time. I will announce any changes in class.

Week		Topic	RWJ Chapter	MS Chapter
1	17-23 August	Course Introduction Introduction to Corporate Finance	1	1
2	24-30 August	Financial Statements	2	2
3	31 Aug-6 Sept	Financial Statement Analysis	3	4
4	7-13 September	*** Labor Day Holiday *** Time Value of Money	4	7
5	14-20 September	Time Value of Money (cont) Bond Valuation	4 5	7 9
6	21-27 September	Stock Valuation	5	8
7	28 Sept – 4 Oct	MIDTERM EXAM #1		
8	5-11 October	Risk & Return: Introduction *** Fall Break ***	9	
9	12-18 October	Risk & Return: Statistics & CAPM	10	
10	19-25 October	Risk & Return: Statistics & CAPM (cont)	10	
11	26 Oct-1 Nov	NPV & Other Investment Rules	6	11
12	2-8 November	Making Capital Investment Decisions	7	11
13	9-15 November	MIDTERM EXAM #2		
14	16-22 November	Risk Analysis, Real Options, & Capital Budgeting	8	12
15	23-29 November	Risk Analysis, Real Options, & Capital Budgeting (cont) *** Thanksgiving Holiday ***	8	12
16	30 Nov-6 Dec	Risk, Cost of Capital, & Capital Budgeting Efficient Markets	12 13	10
	7-11 December	FINAL EXAM WEEK		

Fall 2009 Syllabus Attachment: [http://osu.okstate.edu/acadaffr/aa/PDF Files/SYLATFA.pdf](http://osu.okstate.edu/acadaffr/aa/PDF%20Files/SYLATFA.pdf)