Welcome!
This syllabus provides a guide to this course. It outlines the class schedule, due dates for assignments, grading, and other policies of the course. Read it with care and refer to it often throughout the course.

Goals of the Course:
Finance Content: In this course we take the perspective of a manager who must make two decisions: (1) which investment projects to take and (2) how to finance these projects. In this course we will learn the basic financial principles which guide these decisions as well as the terminology and institutional details associated with each of these topics. You will learn the basic quantitative analysis that accompanies financial decision making. Finally, you will learn the basics of completing a financial analysis of a company.

Learning Outcomes:
After completing this course you should be able to:
1. Be able to evaluate a company and its business decisions via cash flow streams and be able to value those cash flow streams.
2. Be able to assess risk of financial assets and to calculate risk adjusted returns.
3. Be able to apply different financial methods for choosing among business projects.
4. Be able to identify and evaluate real options imbedded in business projects.
5. Be able to identify and calculate the discount rate to be used in evaluating different business projects.
6. Be able to value a companies’ assets and equity.
7. Analyze a company’s capital structure.
8. Evaluate a company’s dividend policy.
9. Understand the rationale for a company’s M&A activity and how this activity is financed.

Course Materials:
Required:
D2L will be used for electronic materials and course communication. Voice over PowerPoint slides, readings, grades, and other electronic material will be regularly posted on D2L. (log-in page URL: https://d2l.mu.edu/index.asp).

Recommended:
Hardcover ISBN: 9780077861650
Three-hole punch paperback - ISBN: 978125921678

The Wall Street Journal (“WSJ”), The Economist, and other business publications (i.e., Business Week, Financial Times).

Prerequisites:
This course assumes a good working knowledge of Accounting, Economics, and Statistics.

As indicated on CheckMarq (or The Graduate Bulletin), the official prerequisites are: ACCO 6000, MANA 6000, and MANA 6001.
However, consistent with the GSM recommendations that all foundation courses should be completed before core work, I strongly recommend that you don’t take this course until you have completed these courses:

- ACCO 6000 Accounting Foundation
- ECON 6000 Economics Foundation
- INTE 6000 Information Tech. Foundation
- MANA 6000 Mathematics Foundation
- MANA 6001 Statistics Foundation

Also the GSM recommends that the quantitative core courses be taken in the following order: ECON 6100, ACCO 6100, then, FINA 6100. I concur with that recommendation.

The bottom line? Many students find Finance a difficult subject. The better prepared you are, the better you are going to do in the class, and more importantly, the more you are going to get out of it.

**Grading and Course Requirements:**
Your grade will be based on the following:

- Exam 1: 25%
- Exam 2: 35%
- Financial Analysis Project: 25%
- Quizzes: 15%
- Total: 100%

**Letter Grade Assignment:**

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<tr>
<th>Grade</th>
<th>Percentage</th>
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<tr>
<td>A</td>
<td>93 – 100</td>
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<td>BC</td>
<td>78 – 82.99</td>
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<td>C</td>
<td>88 – 92.99</td>
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<tr>
<td>B</td>
<td>83 – 87.99</td>
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<td>F</td>
<td>below 73</td>
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**Exams:**
Exams are in class on the dates indicated in the syllabus. You will be allowed to bring a calculator and one page (8 ½ x 11") of notes to the exams. If you are unable to take any exam for reasons not under your control, please contact me immediately. If you need to re-schedule an exam for another reason, you should also contact me immediately and we will determine a time before the regularly scheduled exam.

Practice exams with brief solutions will be posted on D2L.

**Quizzes:**
On-line quizzes must be taken on the D2L site. These quizzes are timed and must be taken by the dates indicated on the syllabus. Quizzes consist of mostly multiple choice basic questions on the material. They are designed to give you an incentive to work through the D2L materials prior to class meeting times. There are questions that require you to do calculations.

When you click on the first quiz, you will see a screen that tells you to download Respondus Lockdown Browser.

Once you have downloaded Respondus Lockdown Browser, you will need to close out of D2L and then launch the browwer. The browser will take you back to the D2L site and allow you to take the quiz. The browswer allows time limitations and number of attempts to be controlled.

The time for each quiz is indicated when you open up the quiz from D2L. You can know how much the quiz will take before you start.
You will be allowed two attempts for each quiz. The highest score will be used in determining your final grade.

There are ten quizzes in total— one for each lecture. There will be no make-up quizzes. I will drop the lowest two quiz scores. If you miss a quiz, you will get a zero and this can be one of your dropped scores. Your overall quiz score will be an average of your highest eight scores.

Before you take the quiz, have ready:
- Calculator, scratch paper, pencil.
- Tables.
- Printable versions of lectures.

**Financial Analysis Project:**

**Requirements:**
- You will be responsible for doing a financial analysis of a company of your choice within an assigned industry group with your team.
- More information about the Project is on the D2L course site.

**Late Projects:**
Projects are due on the date indicated in the syllabus. There will be a drop box for the Project in the D2L site. Late projects will be penalized:
- 24 hours late (one day): 1 letter grade reduction in final grade (for example if you would have gotten an “A,” I will reduce it to a “AB”).
- 48 hours late (two days): 2 full letter grade reduction in final grade (for example if you would have gotten an “A,” I will reduce it to a “B”).
- If projects are not turned in within two days, they will receive a grade of 0.

**Teams:**
Teams should be between three to five students. You can let me know your team preferences (mutual). Team membership may be adjusted as needed. You can also let me know if there are individuals that you specifically do not want to work with. Please submit your group requests via e-mail ASAP. This will allow teams to get up and running by the first class. I will post final team assignments on D2L. It is up to each student to check their team membership and get in touch with the members of their team.

If problems with teams arise, an individual student or subset of students can leave the team and turn in their own reports.

**Team Evaluation:**
All team members are expected to be equally responsible for the assignments that are handed in.

As a check on free-riding, all team members will be required to grade each other. Each team member is to allocate 100 points across all the team members. If you feel that all team members participated equally you should allocated the points equally across the members in the team including yourself. Point allocations will be added up to determine each member’s individual grade on the assignments that you worked on together. For example, if there are four team members and all members allocate the points equally, then each member will receive $25+25+25+25=100$ the full grade on the assignment. Another example might be a student receiving $20+20+25+25=90$ or only 90% of the full grade on the assignment as their assignment grade. The maximum grade an individual team member can receive on an assignment is the grade on the assignment itself. For example, if the team project grade is a B, an individual team member cannot receive more than a B for their grade for their project.
A template to fill out for team evaluations is available on D2L. Team evaluations are due the date indicated in the syllabus.

**Problem Sets:**
Problem sets and solutions that correspond to each lecture are available on D2L. *Your answers to these problem sets will not be collected and graded.* However, you should work out the solutions to the problem sets on your own. The problem sets provide an important vehicle to develop your understanding of the material. Furthermore, problem set questions are indicative of the exam questions that I will give. To the extent that you have already gone through the thought process involved in answering the problem set questions, you will be better prepared for exam questions. Answers to the problem sets are on D2L. Additionally, the problem sets will be discussed in class.

“Starred” (*) questions in the problem sets are those that involve extensive quantitative analysis. These questions will not be the type that I will ask on the exams. However, parts of these problems provided additional review for the types of calculations and concepts that will be tested on the exams.

**Communication:**
Office: Straz Hall 336
Office Phone: 288-1461
Finance Office: 288-6200
e-mail: sarah.peck@marquette.edu
Office Hours: By appointment.

The best way to reach me is through e-mail. You should expect a response within 24 hours unless informed otherwise.

I encourage you to ask whenever you have a question about course material or difficulties with the concepts. This includes questions during class, office hours or appointments, by phone, or e-mail. I am always willing to meet with students after work hours including staying late after class.

**Absences:**
The Marquette University Graduate School of Management considers regular class attendance an important component of the learning process. Students are expected to attend scheduled class meetings; excessive absences may have adverse consequences, ranging from a lowered course grade to forced withdrawal from the course. Excessive absence is *generally defined* as missing more than 10-15 percent of the regularly scheduled class time. Attendance is not formally computed into your grade. Consistent with both University and Business School policy, I will make no distinctions between excused and unexcused absences. If you do miss a class, it is your responsibility to find out from a fellow student what material you missed.

**Academic Honesty:**
I ask that all students sign the Honor Pledge attached at the end of the syllabus on the first day of class.

Academic dishonesty will not be tolerated. You should neither give nor get copies of projects either from current or previous students in this course or from any other source (including using assignments from past classes). Furthermore, you should not represent material from secondary sources as your own in your report, i.e., plagiarize material from secondary sources.

Cheating on the exams will not be tolerated. Cheating is defined as (but not limited to): use of unauthorized materials during exams; looking at, copying or otherwise colluding with anyone during the exam; copying test questions; and removal of the exam.

Anyone engaging in the above activities will automatically receive an "F" in the course and the case will be referred to the Chair and the Associate Dean for further action.
**Cell Phones, Laptops & Tablets:**
Please be courteous and professional with your use of electronic devices in class. Please turn off and do not use your cell phones in class. You are encouraged to use a laptop or tablet during class to access class and work on class materials. Please do not use your electronic devices for other purposes. It is very obvious and distracts from the learning environment. If the use of devices becomes problematic, they will be banned from the classroom except for team work.

**College of Business Administration Assessment Statement:**
The fundamental mission of the College of Business Administration is to provide a quality education grounded in Catholic, Jesuit intellectual values. Students are expected to learn how to function effectively in a diverse and global economy so that they may develop into ethical and socially responsible global leaders and responsible members of their organizations and communities. As one of many methods of assuring that the goals of our educational mission are successfully met, the college regularly and systematically engages in the assessment of these competencies.

Students in our MBA program are assessed on their competency to communicate effectively, reason ethically and apply critical thinking, as well as their capacity to comprehend the global strategic issues of firms and perform fundamental activities of business managers.

Assessment takes place each semester in all programs using quantifiable measures; the data is analyzed and the information is used to help continuously improve the educational process. The College of Business Administration is dedicated to successfully providing a quality education for our students and assessment is part of the process the college uses to evaluate our success. Additional information on assessment can be found at [http://www.marquette.edu/assessment/](http://www.marquette.edu/assessment/) or in the assurance of learning tabs under [http://business.marquette.edu/academics/assurance-of-learning-graduate](http://business.marquette.edu/academics/assurance-of-learning-graduate).

b. The Masters of Business Administration’s program learning goals are:
   1. Perform the fundamental activities of business
   2. Communicate effectively in business settings
   3. Comprehend global strategic issues of a corporation
   4. Apply ethical reasoning to business situations

c. In addition to the assessing the learning outcomes of the business core and the MBA program, each undergraduate major and all business graduate programs have unique program goals and associated learning outcomes. These programs assess their outcomes each semester. The primary rational for assessment is the assurance of learning for all undergraduate and graduate students in the College of Business.

**Weather Related Cancellations:**
In the event of bad weather, the Office of the Provost will make the decision to cancel classes. **It is not up to individual faculty to do so.**

If for some reason classes are cancelled during Finals Week, students will receive the grade to date.

**Accommodations for Students with Disabilities:**
Please inform me during the first week of class if you have any conditions that may limit or affect your ability to participate in this course so that we can make necessary arrangements. You may also contact the Office of Student Disability Services, in 5th Floor of the 707 Building, Room 503 (8-1645) for more information (see also: [http://www.marquette.edu/disability-services/](http://www.marquette.edu/disability-services/).
Emergency Plan:
Every Marquette University campus building has emergency shelter and evacuation plans. Please familiarize yourself with the plans of each building in which you take classes or attend meetings. Make sure to note the routes to the lowest level of the buildings for shelter during inclement weather, as well as exits from the buildings in the event of fire or other emergency.
**Class Schedule:**

The class schedule is tentative. While, I have every intention of adhering to the schedule, I reserve the right to make changes as the need arises. Any changes will be announced in class. It is the student’s responsibility to be informed of any changes.

<table>
<thead>
<tr>
<th>Class #/ Date</th>
<th>Lectures</th>
<th>Reading (Optional)</th>
<th>Problem Set</th>
<th>Financial Analysis Project</th>
<th>Assignments Due/Exams/Quizzes</th>
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</thead>
<tbody>
<tr>
<td><strong>Class #1</strong></td>
<td>Lecture #1: Introduction: Cash Flow, Returns, Present Value, and the Firm's Balance Sheet.</td>
<td>Chapters 1, 2, 4, 5, 6</td>
<td>#1</td>
<td>Review Project Materials.</td>
<td>Complete On-Line Quiz #1 by Monday 1/18 midnight</td>
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<td>Tuesday 1/19</td>
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<td>Wednesday 1/20</td>
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<td><strong>Class #2</strong></td>
<td>Lecture #2: Measuring Risk &amp; Efficient Markets</td>
<td>Chapters 10, 11, 13</td>
<td>#2</td>
<td>Complete Individual Student Work for Steps 1 &amp; 2</td>
<td>Complete On-Line Quizzes #2 &amp; #3 by Monday 2/1 midnight</td>
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<td>Tuesday 2/2</td>
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<tr>
<td>Wednesday 2/3</td>
<td>Lecture #3: Valuing the Firm’s Projects: NPV, Basic Capital Budgeting, EAC, Inflation, Sensitivity Analysis</td>
<td>Chapters 7, 8</td>
<td>#3</td>
<td>Complete Individual Student Work for Step 3.</td>
<td>Complete On-Line Quizzes #4 &amp; #5 by Monday 2/15 midnight</td>
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<tr>
<td><strong>Class #3</strong></td>
<td>Lecture #4: Valuing the Firm’s Projects: Capital Budgeting and Real Options</td>
<td>Chapters 9, 17</td>
<td>#4</td>
<td>Complete Individual Student Work for Step 3.</td>
<td>Complete On-Line Quizzes #4 &amp; #5 by Monday 2/15 midnight</td>
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<td>Tuesday 2/16</td>
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<td>Wednesday 2/17</td>
<td>Lecture #5: Valuing the Firm’s Projects: Discount Rates</td>
<td>Chapter 12</td>
<td>#5</td>
<td>Complete Individual Student Work for Step 3.</td>
<td>Complete On-Line Quizzes #4 &amp; #5 by Monday 2/15 midnight</td>
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<tr>
<td><strong>Class #4</strong></td>
<td>Lecture #6: Valuing the Firm:</td>
<td>Review for Exam 1</td>
<td>#6</td>
<td>Complete On-Line Quiz #6 by Monday 2/29 midnight</td>
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<td>Tuesday 3/1</td>
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<td>Wednesday 3/2</td>
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<td><strong>Class #5</strong></td>
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<td>Exam 1</td>
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<td>Tuesday 3/15</td>
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<td>Wednesday 3/16</td>
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# Syllabus

TO COMPLETE ON YOUR OWN BEFORE CLASS

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<tbody>
<tr>
<td>Class #6</td>
<td>Lecture #7: Financing the Firm’s Projects: Introduction to Short Term Financing and Long Term Debt Policy Debt Policy and corporate taxes, personal taxes, and bankruptcy costs</td>
<td>Chapter 14</td>
<td>#7</td>
<td>Complete Individual Student Work for Steps 4 &amp; 5</td>
<td>Complete On-Line Quizzes #7 &amp; #8 by Monday 3/28 midnight</td>
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<td>Tuesday 3/29</td>
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<td>Wednesday 3/30</td>
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<td>Class #7</td>
<td>Lecture #8: Financing the Firm’s Projects: Debt Policy and Contracting Cost</td>
<td>Chapter 15</td>
<td>#8</td>
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<td>Tuesday 4/12</td>
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<td>Wednesday 4/13</td>
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<tr>
<td>Class #8</td>
<td>Lecture #9: Financing the Firm’s Projects: Issuing Equity Dividend Policy</td>
<td>Chapters 16, 17</td>
<td>#9</td>
<td>Complete Individual Student Work for Steps 6 &amp; 7</td>
<td>Complete On-Line Quizzes #9 &amp; #10 by Monday 4/11 midnight</td>
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<td>Tuesday 4/26</td>
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<td>Wednesday 4/27</td>
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<tr>
<td>Class #9</td>
<td>Project Presentations</td>
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<td>Financial Analysis Project Due Team Evaluations Due</td>
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<td>Tuesday 5/10</td>
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<td>Exam 2</td>
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<tr>
<td>Wednesday 5/11</td>
<td>Review for Exam 2</td>
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The Honor Pledge

I recognize the importance of personal integrity in all aspects of life and work. I commit myself to truthfulness, honor and responsibility, by which I earn the respect of others. I support the development of good character and commit myself to uphold the highest standards of academic integrity as an important aspect of personal integrity. My commitment obliges me to conduct myself according to the Marquette University Honor Code.

Student Obligations under the Honor Code

1. To fully observe the rules governing exams and assignments regarding resource material, electronic aids, copying, collaborating with others, or engaging in any other behavior that subverts the purpose of the exam or assignment and the directions of the instructor.
2. To turn in work done specifically for the paper or assignment, and not to borrow work either from other students, or from assignments for other courses.
3. To give full and proper credit to sources and references, and to acknowledge the contributions and ideas of others relevant to academic work.
4. To report circumstances that may compromise academic honesty, such as inattentive proctoring or premature posting of answers.
5. To complete individual assignments individually, and neither to accept nor give unauthorized help.
6. To accurately represent their academic achievements, which may include their grade point average, degree, honors, etc., in transcripts, in interviews, in professional organizations, on resumes and in the workplace.
7. To report any observed breaches of this honor code and academic honesty.

Student Name: ___________________________________________

Student Signature ________________________________