

**SYLLABUS**  
**FINANCE 6320: Financial Management**  
**Section 793 (online, second 8-week session); Spring 2020**

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**CONTACT INFORMATION FOR YOUR INSTRUCTOR**

**Instructor:** Paul Haensly  
**Office:** MB 2252

**E-mail:** paulhaensly@sbcglobal.net

**Office hours:** this course is an online course. Hence, office hours are online. Virtual office hours are throughout the day, seven days a week.

**Best way to reach me:** the quickest way to reach me is by email. Canvas has an internal messaging system (Inbox) that I check regularly. The link is in the global navigation panel on the left-hand side of pages in Canvas. You also may contact me directly at my email address listed above. I do my best to respond to messages within 24 hours.

**NOTE:** it is your responsibility to assure that electronic submissions of work in this class are submitted correctly using the appropriate tools in our course website in Canvas. Canvas enables you to verify that your work has been submitted.

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**COURSE DESCRIPTION**

**Description in the Graduate Catalog**

Survey of foundational concepts in finance; in particular, discounted cash flow analysis and its applications to valuation of bonds, stocks, and corporate financial assets. Introduction to the following topics: bond and stock markets; pricing mechanisms in those markets; relationship between risk and return; capital budgeting methods based on discounted cash flow valuation. Prerequisites: ACCT 6301 or equivalent.

**How this course is offered**

This course is offered online three times a year. It is conducted in Canvas. (We also offer a face-to-face section on campus every spring).

**Estimate of how many hours a student should plan to work on the coursework each week**

Plan on working on coursework 20 hours per week. Keep in mind that the course is offered in an accelerated 8-week semester. However, as you will learn in this course, forecasting is a fool's errand. I honestly don't know how much time you actually will need to spend. You may spend less or a lot more time per week depending on the level of your quantitative skills, your reading and comprehension skills, your study habits, your interest in finance, your target grade in the course, and other factors, some of which are under your control and others not.

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## COURSE PREREQUISITES

**Formal prerequisites.** ACCT 6301 or the equivalent.

**Good quantitative skills are a must for this course.** If your math skills are at the level of undergraduate business calculus or better, then you are ready for this course.

**Access to the Internet.** I post all material and announcements in our course website in Canvas. It is vital (for your sake) that you regularly check our course website for new Announcements and updates (if any) to the Course Calendar.

**Access to Excel.** We will use Excel extensively in this course.

- As a UTPB student, you can access and use Office 365 (including Microsoft Excel) for free. You have two options: use the cloud version, or download it to your hard drive and run locally.
  - To login to Office 365 in the cloud, go to [login.microsoftonline.com](https://login.microsoftonline.com). Use your UTPB email address and password (which are the same that you use to login to Canvas).
  - If you wish to download the software, click on the “Install software” link in the upper right on your UTPB Office 365 home page. For more information about Office 365, please see UTPB’s web page, “Software Distribution.” URL: <https://www.utpb.edu/university-offices/information-technology/students/software-distribution>
  - If you need to improve your proficiency in either Excel or Word, Microsoft offers free training courses in Excel and Word. URL: <https://support.office.com/>
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## COURSE OBJECTIVES

By the end of this course, if you have been diligently reading the lectures and assigned readings and have been fully engaged in the assignments, you should be able to do the following.

1. Describe how the bond and equity markets function in the United States. (Module I)
  2. Apply basic discounted cash flow formulas (a.k.a., time value of money models) using the algebraic formulas and Excel special functions. (Module II)
  3. Apply the bond valuation model and related tools in Excel to estimate bond value and bond yield. (Module III)
  4. Apply the capital asset pricing model to estimate investors’ required rate of return on a stock (Module III)
  4. Apply the Net Present Value (NPV) Rule to make decisions about whether to accept or reject a capital project. (Module IV)
  5. Apply weighted average cost of capital (WACC) procedures to estimate the cost of capital for a corporation. (Module V)
  6. Explain why maximizing shareholder wealth should be the primary goal of financial managers at a corporation and describe the challenges to doing so. (Module VI).
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## COURSE TEXTBOOKS

I don't require a textbook for this course. However, if you would like a reasonably good financial management textbook as a reference, then I recommend *Corporate Finance*, 12th ed., by Ross, Westerfield, Jaffe, and Jordan (published by McGraw Hill Education). If I used a textbook for this course, then this would be it. In fact, when I previously taught this course on campus, I used earlier editions of it.

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## ACCESSIBILITY AND PRIVACY

**Students with Disabilities:** *The University of Texas of the Permian Basin in compliance with the Americans with Disabilities Act and Section 504 of the Rehabilitation Act provides "reasonable accommodations" to students with disabilities. Any student with a disability who is requesting an accommodation for this course must provide the instructor with official documentation in the form of a letter from the ADA Officer for Students. Only those students who have officially documented a need for an accommodation will have their request honored.*

**ADA Officer for Students:** Mr. Paul Leverington

**Address:** Mesa Building 4243 /4901 E. University, Odessa, TX 79762

**Voice Telephone:** 432-552-4696

**Email:** [ada@utpb.edu](mailto:ada@utpb.edu)

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## STUDENT AUTHENTICATION POLICY

### Student Authentication Policy and Procedures at UTPB

UTPB requires that each student who registers for an online course is the same student who participates in, completes, and receives credit for the course. UTPB's Distance Education Policy requires faculty members to employ at least two methods of verification to ensure student identities. To access online courses students must login to the UTPB learning management system using their unique personal identifying username and secure password. UTPB's Distance Education Policy requires at least one additional student identification method within the course that has been determined and approved by the faculty or academic program. This course satisfies the second method of student authentication by presentation of approved photo ID through a web cam and video recorded proctoring during assessment (Respondus Monitor). Approved photo identifications are: passports, government issued identification, driver's licenses, military ID from DoD; dual credit and early college high school students use school district identifications.

The University has a contract with Respondus that provides online UTPB faculty with an electronic test proctoring service that also serves as a second method of student

authentication. Respondus Monitor both locks down the student's browser preventing the student from accessing the web or computer files during an exam and video records the student during the exam period. Students present their ID into the camera (which UTPB requires for all online courses) to authenticate themselves, and the camera records the student and their surrounding environment during the test.

Your only technical requirements are a computer, webcam, and a decent internet connection.

Please see the "Student Authentication Procedures" page in the Welcome to Financial Management module in our course for a detailed explanation of the steps that you must take.

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## **COURSE ACTIVITIES**

I divide course activities into two general types: content activities and assessment activities. Content activities are those that provide you with information, examples, and explanations. Assessment activities are those in which I evaluate your comprehension and skills acquired from doing the content activities and assign a grade based on your demonstration of your knowledge and skills.

I organize the course in modules in Canvas. Each module has a related collection of content and assessment activities.

### **Content Activities**

1. *Lectures.* Every module includes at least one lecture. All lectures in a module are integral parts of the module. Finance is a calculation oriented discipline. To gain the most from your reading, I recommend that you work through the details of any numerical examples that call for calculations. Whenever I introduce you to a new type of calculation, I explain how to do it in Excel, and lectures usually include a downloadable companion Excel workbook with examples.
2. *Reading Assignments.* On each module's Overview page, I list required and optional reading assignments for that module. In addition, every lecture includes links to outside reading. While most of these readings are optional, I encourage you to read them anyway, because the information at these pages will help you better understand financial management.

### **Assessment Activities**

We have several types of assessment activities for credit. The purpose of these activities is to allow me to evaluate your understanding of the content for each module in the course. Our course in Canvas clearly identifies graded activities. The last section of this syllabus provides a tentative list of assessment activities. This list may change should circumstances dictate.

- (1) *Quizzes*. Each quiz focuses primarily on the lectures and required readings in the module. A quiz consists of some combination of multiple choice, multiple answer (where more than one answer may be correct), and questions requiring a simple calculation.
- Quizzes are administered through our course website. They are automatically graded once you submit them.
  - For each quiz, you may make up to three attempts. ***Your grade will be determined by your score on your most recent attempt*** (not your best score). The reason for this approach is that I don't intend for the tests to be guessing game. If you make a second or third attempt, you should use the opportunity to review your mistakes from earlier attempts and re-read the material covered again so that you are better prepared.
  - ! Each quiz attempt is timed and allows about three minutes per question.
  - During a quiz, you may access all Course Content as well as your books and personal notes and any material that you have printed from the course. ***However, you are NOT permitted to seek help from ANYONE while taking a quiz. We do NOT have any group quizzes in this course. I expect and require that your work be your own.*** Please see the policy on academic dishonesty later in this syllabus. (You are allowed to contact our Technical Support or me during a quiz if you run into technical difficulties.)
- (2) *Homework*. Each homework focuses on calculations from the lectures in the module. A homework assignment will consist of some combination of multiple choice questions and problems where you type in a numerical answer.
- Homework will be administered through our course website. Each homework is automatically graded once you submit it.
  - Homework is not timed. Hence, you can save your work in progress for a given attempt and return later to continue working on it. Canvas has an autosave feature that periodically saves your work. However, should you decide to navigate away from an attempt before submitting it, click on "Save" (but be careful NOT to click on "Submit").
  - For each homework, you may make up to three attempts. ***Your grade will be determined by your score on your most recent attempt*** (not your best score). The reason for this approach is that I don't intend for the homework to be guessing game. If you make a second or third attempt, you should use the opportunity to review your mistakes from earlier attempts and re-read the material covered again so that you are better prepared.
  - You may access all Course Content as well as your books and personal notes and any material that you have downloaded to your computer while working on a homework. ***I expect and require that your work be your own.*** Please see the policy on academic dishonesty later in this syllabus.
- (3) *Forums*. Module VI has a graded forum.
- Please see instructions in Canvas for what you should discuss and how you should participate in order to earn full credit.
  - My target for grading primary posts is within three days of posting. If I lag grading your primary post, please don't hesitate to remind me!

- Because the course is self-paced, ***reply posts and other forum participation might not be graded until the end of the semester.***
  - Most modules include an ungraded forum for open discussion. To avoid confusion with the graded forums, I call the ungraded forums “Open Forums.”
- (4) *Special Assignments.*
- In this type of assignment, I ask you to perform a specific list of analytical tasks to demonstrate your ability to apply concepts and quantitative tools. A project may also require written analysis tied to the calculations.
  - My target for grading your work is within three days of submission with one general exception: I might not be able to grade projects submitted during the last week of the semester until the end of that week.
  - Please see the instructions for each Special Assignment on how to submit your work.
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### UNIVERSITY POLICIES ON SCHOLASTIC DISHONESTY

- The integrity of a university degree depends on the integrity of the work done for that degree by each student. The University expects a student to maintain a high standard of individual honor in all scholastic work (*Rules and Regulations of the Board of Regents*).
- Scholastic dishonesty includes, but is not limited to cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, any act designed to give unfair advantage to a student, or the attempt to commit such acts. Detailed information on scholastic dishonesty along with disciplinary procedures is outlined in the *Handbook of Operating Procedures*, Part 5, Section 1: Scholastic Dishonesty, and the section on “Student Conduct” the *UTPB Student Guide*.

### When and to what extent you may work with other students

- (1) *Quizzes.* You are prohibited from consulting with or assisting another student on a quiz. Moreover, I ask you to ***not*** discuss a quiz with other students. I expect you to do your own work. Evidence that you are collaborating with another student will earn you and that student a zero on the quiz. I also ask you not to consult anyone else.
- (2) *Homework.* You may discuss homework with your fellow students and with me. However, your work that you submit should be your own.
- (3) *Forums that are graded.* Forums are essentially a “group project.” However, you must post your own comments. In addition, if you present an idea that is not your own, I require that you explicitly cite your source. I deduct points for missing or improper citations.
- (4) *Special Assignments.* You may discuss these with your classmates. However, I expect you to do your own work.

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## EVALUATION OF YOUR PERFORMANCE IN THIS COURSE

Your numerical grade in this course equals the total of all points earned, divided by the total of all possible points that you could earn in for-credit assignments. (Bonus and extra credit points count in the numerator of this calculation but are not added to the total in the denominator.) Points vary by assessment activity. Please see the instructions for each specific activity for points that the activity is worth.

Notice that this approach has two implications. First, the relative importance of a graded activity is directly proportional to the number of points that it is worth. Thus, for example, an activity worth 100 points has twice the influence on your course grade as an activity worth 50 points. Second, it is somewhat easier to get a sense of your running course grade. For example, if you are earning about 85% on each assessment activity, then your course grade is about 85%. (But keep in mind the first point about relative importance.)

You always can view your grades in the course by clicking on the Grades link in the course navigation menu. At the end of the semester, I round your numerical grade up to the nearest 0.1% and then convert it to a letter grade according to the following schedule:

- A 89.7 - 100.0
- B 79.7 - 89.6
- C 69.7 - 79.6
- D 59.7 - 69.6
- F 0 - 59.6

I reserve the option to assign “plus” grades to exceptional performance at the upper end of a letter grade range and “minus” grades to marginal performance at the lower end of a letter grade range.

**Incomplete course grade:** I do not give an incomplete grade except under circumstances that I judge to be extreme.

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## RULES FOR COMMUNICATING EFFECTIVELY IN THIS COURSE

In this course, we most likely will communicate either through a forum in the course, by messages in the Canvas messaging system for the course, or by email. Please follow these five rules.

1. Be courteous, respectful, and professional in your course communications.
2. Please use language appropriate to the classroom setting. Also, keep in mind that in this day and age, many people are hypersensitive to a variety of slights, whether real or imagined. Try to make only one person mad at a time.
3. Please identify yourself clearly. The Canvas forums and messaging system do so automatically. With e-mail, please clearly identify yourself within your message.

4. Enter a suitably descriptive subject in the subject line. This courtesy helps the reader know what you plan to discuss or ask about.
5. Write clearly and concisely, and spell everything out. Text message shorthand usually is inappropriate in this course. Please limit your use of acronyms to ones appropriate for this course, e.g., CAPM for Capital Asset Pricing Model.

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## TENTATIVE COURSE CONTENT & ACTIVITY SCHEDULE

### A few key dates

- Monday, March 9: the course opens. *Note: UTPB has “spring break” the week of March 9–13. However, this break does NOT apply to online courses!*
- Monday, March 16: last day to drop this course without creating a record.
- Friday, April 10: last day to drop this course.
- Friday, May 1: the course closes at 11:59 p.m. (CST)

### Module I: Financial Markets & Instruments

- Lecture I.A: Sources of Capital
- Lecture I.B: Raising Long-term Capital
- Lecture I.C: Financial Markets

Assessments for credit:

- Quiz I.A (covers only Lecture I.A)
- Quiz I.B (covers only Lecture I.B)
- Quiz I.C (covers only Lecture I.C)
- Special Assignment I

### Module II: Discounted Cash Flow Valuation

- Lecture II: Time Value of Money Models

Assessments for credit: Homework II

### Module III: Valuing Financial Assets

- Lecture III.A: Bond Valuation
- Lecture III.B: Stock Valuation

Assessments for credit:

- Quiz III.A (covers only Lecture III.A)
- Homework III.A (covers only Lecture III.A)
- Quiz III.B (covers only Lecture III.B)
- Homework III.B (covers only Lecture III.B)
- Special Assignment III

**Module IV: Valuing Real Assets**

- Lecture IV.A: Basics of Net Present Value
- Lecture IV.B: The NPV Method in Practice

Assessments for credit:

- Quiz IV (covers both lectures)
- Homework IV (covers both lectures)

**Module V: Capital Structure and the Cost of Capital**

- Lecture V: Capital Structure and the Cost of Capital

Assessments for credit:

- Homework V
- Special Assignment V

**Module VI: Business Ownership and Corporate Governance**

- Lecture VI: Business Ownership and Corporate Governance

Assessments for credit:

- Quiz VI
  - Discussion Forum VI
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