

DOMINICAN UNIVERSITY
Brennan School of Business
FIN 605 99 – Financial Decision Making
FALL 2017 - ONLINE

Instructor	Wenlian Gao
Office Phone	(708) 488-5051
Office	Fine Arts 209
Email	wgao@dom.edu
Canvas	http://canvas.dom.edu
IT Contact:	For tech assistance, contact IT at (708) 524-6888 or supportservices@dom.edu
Prerequisites	FIN506 – Foundation in Management

Textbooks & Supplements

Textbook: *Financial Management: Theory & Practice* by Brigham & Ehrhardt, 15th Edition, Cengage Learning. ISBN13: 978-1-305-63229-5. We use MindTap (by Cengage Learning) integrated into Canvas for this course.

The package including textbook (an ebook, a loose-leaf version, or a print bound text) and the access code to MindTap at Cengage learning can be bought at the campus book store or online. PDFs for the chapters assigned for Week 1 will be available on Canvas so if you order the book online, you will need it for the start of Week 2. If you would like to purchase materials directly from Cengage, you may follow the link below: <http://www.cengagebrain.com/course/2304553>

Course Description

This course is intended to provide students with an overview of advanced topics in financial decision making with a particular emphasis on corporate valuation, initial public offerings, mergers and acquisitions, capital structure decisions and dividend policy, working capital management, and international financial management. The focus of the course is on how to apply financial theories and mathematical techniques to advance the strategic goals of corporations. Tables, practical business applications and case studies will be extensively used to explain how complicated fundamentals “work” in practice.

Supplementary articles from newspaper or magazines will be introduced periodically in an effort to acquaint students with the opinions of professional financial managers as well as academics on the use of different techniques used to analyze various investments. By the end of the semester, I hope that students gain a general appreciation and understanding of financial principles that can subsequently be applied toward their professional careers and personal investment decisions.

Class Procedures:

This is an online course and I will post all the class materials (such as power point slides, videos, quizzes, homework assignments, discussion topics etc.) on Canvas, the online course management system. Online classes are a great resource for working adult students with a busy schedule. In addition to the benefit of flexible scheduling, many students report that they actually feel more comfortable asking questions and participating in an online course than in a traditional lecture course. However, online courses require sound self-management skills. I would suggest you to review the Power Point slides first along with the chapter, (2) read all canvas articles and watch all Canvas videos, and (3) check your Dominican University email constantly. I will be sending you deadline reminders by email.

Learning Objectives

The general objective is to empower students to intelligently argue about corporate financial issues while being competent to make decisions under constraints. By the end of the semester, you should be able to:

- Apply and develop capital investment techniques under uncertainty to evaluate corporate projects and capital budgeting practices.
- Assess the conditions of feasibility for an initial public offering and the conditions of going private.
- Understand key factors that influence corporate decisions to purchase stocks, outstanding debt, or return cash to shareholders.
- Analyze the effects of a change in capital structure on the value of a firm.
- Estimate the working capital requirements of a firm and analyze the impact of specific accounts on capital requirements.
- Apply valuation techniques (e.g., discounted cash flow, market multiple analyses) to analyze advanced financial topics (e.g., mergers, divestitures, leverage buyouts).
- Assess a firm’s likelihood of going bankrupt and review the reorganization and liquidation process of bankruptcy.

Course Requirements

The class assignments include two exams, four homework assignments, two cases, six online quizzes and six discussion topics. They are listed as follows:

Exams	2x20points=40 points
Homework assignments	4x5points =20 points
Cases	2x6.5points=13 points
Online quizzes	6x2.5points=15 points
Discussion board participation	6x2points= 12 points
Total	100 points

Exams: Exams will consist of multiple choices, short answers, and problems. The exam is provided as a take home and students have 24 hours to work on it. Students may not consult with

each other or solicit help from anyone. No substitute exams will be administered without prior notification and instructor consent.

You must have a valid excuse to miss any of the exams and to take a makeup exam. If you do not have a valid excuse for missing an exam, it will count as a zero. In order to be excused from an exam, the student must contact me before the exam. In most cases, I will require students to provide me with additional documentation to justify why the student is unable to take the exam. Excuses will be granted if the student is unable to take the exam because of serious illness or injury, or a significant personal or professional commitment.

Homework Assignments: Homework assignments should be submitted in a clear and legible manner (typed where appropriate). If you work with others on homework, your completion of the assignments must be yours alone. That is, each homework assignment must be, and must appear to be, the work of a single individual. For example, using a copy of another person's spreadsheet is unacceptable. Detailed solution is required. If the final answer is given without any detailed work, then no credit can be earned.

Online Quizzes: Online quizzes include true/false and multiple choice questions. You need to review power point slides, read the referenced chapters/assigned articles, and watch videos to answer the questions. You are allowed to have two attempts for each quiz and the highest score will be kept. You may complete the quiz anytime within a week.

Cases: There will be two case studies. These are team work. Each team consists of no more than 3 students. You are allowed to select your own group members. You must sign up and form your group by June 30, 2017. Each team should submit one copy of your case. Team member will get the same grade.

Case1: Rosetta Stone: Going Public

Case2: Horniman Horticulture: Working Capital Management

Discussion Board Participation: Each group is required to select a firm by June 30, and your group postings for each discussion topic will be based on the firm you selected. The firm should be a public one with international operations. Postings should be no longer than 200 words. So be succinct, yet effective! Examples may be either a reference to our textbook, content from some other book or journal article or website, etc. Quotations should be no longer than a couple of sentences. These should mostly be your thoughts and interpretations of what you've read. Your posting should be well developed with example, overall ok grammar, few spelling mistakes, no incomplete or run-on sentences.

I will moderate the forums and censor if and when I think it is necessary. Absolutely no swearing, no personal attacks, no attacks against any ethical, racial, religious, or other group.

Grading: Final Letter Grades will be determined by the following grading-scale table. The instructor reserves the right to adjust the scale depending on overall class performance. Make-up or extra work to improve your grade is not allowed. The final grade in this course, once assigned, will not be changed, except in the event of a grading error.

Final Course Letter Grade	Final Course Grade
A	$\geq 94\%$
A-	$\geq 90\%$ but $< 94\%$
B+	$\geq 87\%$ but $< 90\%$
B	$\geq 83\%$ but $< 87\%$
B-	$\geq 80\%$ but $< 83\%$
C+	$\geq 77\%$ but $< 80\%$
C	$\geq 73\%$ but $< 77\%$
C-	$\geq 70\%$ but $< 73\%$
D	$\geq 60\%$ but $< 70\%$
F	$< 60\%$

Suggestions for Success in a Finance Course

To increase the likelihood of success, each student should realize that a course online is as important as an in-person or hybrid course. I will try to keep you on track but this is a partnership. Below are some of my suggestions to help the students get successful.

1. Start the course immediately on the first date of the semester. Do not delay.
2. Study regularly and map out a time for study: The structure of this class makes your individual study and preparation extremely important. Be sure to schedule 6 – 8 hours per week on this course.
4. Constant communication: Check email and Du Canvas on a regular basis. All handouts and class material for FIN605 are located on **Canvas**. You can download all the materials from there. As the semester continues, the resources available in **Canvas** will expand.
5. If you encounter any technical problem, please let me know and we can work together to fix it. Don't panic!
6. Students should keep current with developments in international and domestic finance, the international political environment and the operations of multi-national enterprises. Good sources of information are the daily editions of the Wall Street Journal, The Financial Times – www.ft.com – and the New York Times – www.nytimes.com -. A comprehensive weekly source is The Economist – www.economist.com

Academic Integrity

We, the scholars of Dominican University, recognize the importance of personal integrity in all aspects of life and work. We commit ourselves to truthfulness, honor, and responsibility by which we earn the respect of others. We support the development of good character in our academic community, and commit to uphold the highest standards of academic integrity as an important aspect of personal integrity. All University policies are in effect as described in the Academic Dishonesty/Misconduct section of the current catalog. All your work must be your own unless collaboration has been authorized. If

collaboration is authorized, you must acknowledge the collaboration in writing. Your grade will be based in large part on the originality of your ideas and your written presentation of these ideas.

Plagiarism is intellectual theft. It means use of the intellectual creations of another without proper attribution. Plagiarism may take two main forms, which are clearly related:

1. To steal or pass off as one's own the ideas or words, images or other creative works of another, and
2. To use a creative production without crediting the source, even if only minimal information is available to identify it for citation.

Credit must be given for every direct quotation, for paraphrasing or summarizing a work (in whole, in part, in one's own words) and for information that is not common knowledge.

Warning: Any student caught cheating will receive 0 point for that assignment and a letter will be placed in your file at the Dean's Office immediately. The claim of ignorance is no excuse. Those found plagiarizing may fail the course.

Other Guidelines

1. Any student who feels he or she may need an accommodation based on the impact of a disability should contact me privately to discuss his or her specific needs.
2. If you are having trouble with the class, please contact me.

Tentative Time Schedule

<u>Week #</u>	<u>Topic</u>
1 8/28-9/3	Introduction & Review: Capital Budgeting and Corporate Governance: Ch10 & Ch13 Log into Canvas: Form your team and select a firm by June 30 th Review PowerPoint slides Watch videos/Read assigned chapters, articles Complete online quiz1 Research and participate on discussion topic Submit HW#1 to Canvas by Sep 3 rd at 11:59pm
2 9/4-9/10	Initial Public Offerings and Mergers and Acquisitions: Ch18 & Ch22 Case1: Rosetta Stone: Going Public Log into Canvas: Review PowerPoint slides Watch videos/Read assigned chapters, articles Complete online quiz2 Research and participate on discussion topic Submit Case1 by Sep. 10 th at 11:59pm

3
9/11-9/17 **Bankruptcy and the Financial Crisis of 2008: Ch24**
 Log into Canvas: Review Power Point slides
 Watch videos/Read assigned chapters, articles
 Complete online quiz3
 Research and participate on discussion topic
 Submit HW#2 by Sep. 17th at 11:59pm

4. **MIDTERM EXAM (Due at 11:59pm on Thursday, 9/21, 2017)**

5
9/25-10/1 **Dividends and Repurchases: Ch14**
 Log into Canvas: Review Power Point slides
 Watch videos/Read assigned chapters, articles
 Complete online quiz4
 Research and participate on discussion topic
 Submit HW3 by Oct. 1st at 11:59pm

6
10/2-10/8 **Capital Structure Decisions and Working Capital**
 Management: Ch15 & Ch16
Case2: Horniman Horticulture: Working Capital Management
 Log into Canvas: Review Power Point slides
 Watch videos/Read assigned chapters, articles
 Complete online quiz5
 Research and participate on discussion topic
 Submit Case2 by Oct. 8th at 11:59pm

7
10/9-10/15 **International Finance: Ch17**
 Log into Canvas: Review Power Point slides
 Watch videos/Read assigned chapters, articles
 Complete online quiz6
 Research and participate on discussion topic
 Submit HW4 by Oct. 15th at 11:59pm

8 **FINAL EXAM (Due at 11:59pm on Thursday, Oct. 19th)**

NOTE: This time schedule is very tentative. Some chapters may be omitted and other chapters included depending on time constraints. Exact material covered on each of the exams will be discussed in class.