

Spring 2012



# William G. Rohrer College of Business

Course No: Fin 4423 – Section 002

Course Title: Financial Management II

*Experience Personal Learning. Experience Your Future.*

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Course Info: Name: FINANCIAL MANAGEMENT II  
CRN: 20032  
Section: 04.423/02

Course Schedule: Tuesday and Thursday 13.45pm – 15.00pm  
Education 1019

## **COURSE DESCRIPTION AND STATEMENT OF COURSE OBJECTIVES**

**Course Title:** Financial Management II

**Course Number:** Fin 04.423

**Semester Credit Hours:** Three for one semester

**Prerequisites:** Financial Management I (Fin 04.422)

### **Objectives:**

1. To discuss in detail the sources of capital, firms optimal financing decisions, hybrid financing, special topics such as mergers and acquisitions, and bankruptcy and reorganization.
2. To help students improve their skills in analyzing financial issues and presenting results.

### **Teaching/Learning Method:**

The course will be conducted in a lecture/discussion format. The chapter-end mini cases will be used extensively in class discussions. Students will be expected to play an active role, both in classroom and in out-of-class interactions, in their learning process.

### **Reading:**

The daily readings and assignments are detailed on the attached pages. Each student is expected to be thoroughly prepared to discuss the materials in the assigned chapters and cases.

### **Computer Assignments:**

Several computer problems/cases will be assigned during the semester. The students will be divided into groups and each group will prepare a written solution to the computer problems/cases. Each group will present the solution to one of the computer problems/cases in the classroom. All students are expected to participate in the computer problem/case discussions by asking questions and by making comments.

## **ESSENTIAL SKILLS & INTEGRATIVE THEMES:**

The Rowan University Rohrer College of Business is a teaching institution preparing students to work in regional, national, and international businesses, public and not-for-profit organizations in a dynamic and changing economic environment. We strive for excellence in teaching, which includes current knowledge and skill development along with ethical beliefs and behaviors.

## **SKILLS TO BE LEARNED/EXTENDED:**

**Teamwork/Interpersonal Skills:** Students are encouraged to work together in their analysis of the case and computer problems. The presentation should also be a collaborative effort. The development of teamwork/interpersonal skills will be emphasized throughout the semester.

**Critical Thinking:** Critical analysis of case and computer problems and suggestion of appropriate financial decisions are an essential part of the course.

**Research/Quantitative Analysis:** The textbook presents various financial research methodologies and provide examples. In addition, research data are provided in the cases and computer problem assignments, and the analysis of these data is essential to completion of these assignments.

**Information Technology:** Students will use the Excel software to solve the computer problem assignments and they will be asked to use the word-processing and presentation software for the written assignments and for the classroom presentations.

## **MAJOR THEMES TO BE EXAMINED:**

**Internationalization:** The lectures will incorporate international examples and issues throughout the semester.

**Ethics:** Ethical issues in financial decision-making will be pointed out during the semester where relevant.

**Management of Technology:** Students will be exposed to the role of technology in terms of current research techniques and technological innovations.

## **TEXT**

1. E. F. Brigham, and P.R. Daves, Intermediate Financial Management, New York, NY: South Western Press, 10th edition, 2010.

2. T. R. Mayes and T. M. Shank, Financial Analysis with Microsoft Excel, Mason, OH: South Western Press, 5th edition, 2010.

3. Optional: Study Guide for Intermediate Financial Management.

The Wall Street Journal. We will be discussing significant financial events as they occur.

## TENTATIVE COURSE SCHEDULE, SEQUENCE OF TOPICS, AND ASSIGNMENT LIST

		Date		Textbook Chapters	Suggested Problems	HWs & Presentations
Week 1	T	17-Jan	Introduction			
	R	19-Jan	Chapter 6: Financial Options	6-1, 6-2, 6-3, 6-4, 6-5		
Week 2	T	24-Jan	Chapter 6: Financial Options			
	R	26-Jan	Chapter 14: Real Options	14-1, 14-2, 14-3		
Week 3	T	31-Jan	Chapter 14: Real Options			
	R	2-Feb	Chapter 15: Capital Structure Decisions-I ( <i>Mayes &amp; Shank Book: Chapter 6</i> )	15-7, 15-11		
Week 4	T	7-Feb	Chapter 15: Capital Structure Decisions-I ( <i>Mayes &amp; Shank Book: Chapter 6</i> )			
	R	9-Feb	Chapter 16: Capital Structure Decisions-II	16-5, 16-7	HW#1 & Presentation (Group 1) ( <i>Prob.15-10 / Capital Structure</i> )	
Week 5	T	14-Feb	Chapter 16: Capital Structure Decisions-II			
	R	16-Feb	Review for MIDTERM EXAM #1			HW#2 & Presentation (Group 2) ( <i>Prob.16-6 / Capital Structure</i> )
Week 6	T	21-Feb	MIDTERM EXAM #1			
	R	23-Feb	Solutions to MIDTERM EXAM #1			
Week 7	T	28-Feb	Chapter 21: Working Capital Management	21-2, 21-3, 21-4, 21-14		
	R	1-Mar	Chapter 21: Working Capital Management			
Week 8	T	6-Mar	Chapter 17: Distribution to Shareholders		HW#3 & Presentation (Group 3) ( <i>Prob.21-13 / Working Cap Mgmt</i> )	
	R	8-Mar	Chapter 17: Distribution to Shareholders			
Week 9	T	13-Mar	SPRING BREAK			
	R	15-Mar	SPRING BREAK			

Date			Textbook Chapters	Suggested Problems	HWs & Presentations
Week 10	T	20-Mar	Chapter 18: IPOs, Investment Banking <i>(Mayes &amp; Shank Book: Chapter 8)</i>	18-1, 18-2	
	R	22-Mar	Chapter 18: IPOs, Investment Banking <i>(Mayes &amp; Shank Book: Chapter 8)</i>		
Week 11	T	27-Mar	Chapter 19: Lease Financing	19-4	HW#4 & Presentation (Group 4) <i>(Prob.18-3 / The New Stock Issue)</i>
	R	29-Mar	Chapter 19: Lease Financing		
Week 12	T	3-Apr	MIDTERM EXAM #2		
	R	5-Apr	Solutions to MIDTERM EXAM #2		
Week 13	T	10-Apr	Chapter 26: Mergers, LBOs, Divestiture	26-4	HW#5 & Presentation (Group 5) <i>(Prob.19-5 / Lease Financing)</i>
	R	12-Apr	Chapter 26: Mergers, LBOs, Divestiture		
Week 14	T	17-Apr	Chapter 25: Bankruptcy, Reorganizations <i>(Mayes &amp; Shank Book: Chapter 4)</i>	25-4	HW#6 & Presentation (Group 6) <i>(Prob.26-6 / Merger Analysis)</i>
	R	19-Apr	Chapter 25: Bankruptcy, Reorganizations <i>(Mayes &amp; Shank Book: Chapter 4)</i>		
Week 15	T	24-Apr	FINANCE SPECILIZATION EXAM		
	R	26-Apr	Review for FINAL EXAM		
Wk 16	T	1-May	FINAL EXAM		

## CRITERIA AND PROCEDURES FOR EVALUATING STUDENT PERFORMANCE:

### Examinations

- There will be two mid-term exams, a final exam.
- Both the mid-term exams and the final exam will consist of about fifty percent problems and fifty percent multiple choice questions.
- Students may bring a one-page notes sheet (8 1/2" X 11" both sides) to each test.
- There will be no "make-up" exams except for documented emergencies.

### Outcomes Assessment

Students will take a comprehensive finance specialization assessment test, designed to be used in a continuing process of course development and improvement.

### Homework Assignments and Presentations

- HW Assignments and presentations will be completed as group work.
- The presentations will be done at the beginning of the class period, and the group members are expected to have business attire.
- The HW assignments will be emailed as an excel document and they are due the date stated above, before the class period.

### Grading

The course grade will be based on two mid-term exams, a final exam, several homework assignments done in Excel, an Excel computer problem presentation, and class participation. In the last week of the semester, the students will take a comprehensive multiple-choice finance specialization assessment test. 10 points of the final exam grades will be reserved to the assessment test.

Midterm Exam-1	25%
Midterm Exam-2	25%
Final Exam	25%
(→ 10 points will be reserved to the Finance Assessment Test)	
Homework Assignments (2.5% each)	15%
Computer Problem Presentations	5%
<u>Class Participation</u>	<u>5%</u>
<b>TOTAL</b>	<b>100%</b>

- The letter grades are determined as per the following table:

<u>Grade</u>	<u>Point Score</u>	<u>Grade</u>	<u>Point Score</u>
A	93 – 100	C	73 – 77
A-	90 – 92	C-	70 – 72
B+	88 – 89	D+	68 – 69
B	83 – 87	D	63 – 67
B-	80 – 82	D-	60 – 62
C+	78 – 79	F	0 – 59

## **ROHRER COLLEGE OF BUSINESS MISSION STATEMENT**

The Rohrer College of Business of Rowan University empowers its students to compete and succeed responsibly in their careers.

- The Rohrer College of Business Faculty makes effective teaching that engages students in the learning process its highest priority supported by relevant scholarship and appropriate levels of service.
- Rowan University's undergraduate business programs are grounded in liberal arts, focus on excellent business practices, and offer students opportunities for experienced-based learning.
- Rowan University's graduate business programs provide contemporary graduate business education to professionals of diverse fields and academic backgrounds, and accentuate knowledge and skills required for career advancement.
- In partnership with the Center for Innovation and Entrepreneurship, the Rohrer College of Business promotes entrepreneurship throughout the University and in the regional community.
- The Rohrer College of Business will be responsive to emerging developments in industry and business education.

## **OPERATIONALIZED UNDERGRADUATE BUSINESS OBJECTIVES FOR FINANCE MAJOR:**

### **Mission Statement:**

The mission of the finance program is to provide students with challenging career-oriented undergraduate and graduate preparation needed to acquire the requisite knowledge and skills necessary to be successful in finance careers and to pursue graduate studies.

### **Student Learning Goals:**

- Students will have a broad understanding of financial theory and institutions.
- Students will have developed an appreciation of global issues in finance.
- Students will have developed competency in quantitative analysis and computer skills necessary for successful financial decision-making.
- Students will have developed effective written and oral communications, teamwork, and interpersonal skills.
- Students will have developed the finance, accounting, and business competencies to enter a variety of career opportunities within financial institutions, government agencies, private industry, as well as to pursue graduate studies.

## **OTHER UNIVERSITY POLICIES**

Information pertaining to the following policies is located at the web site shown below. Be sure to read these policies:

- Classroom Behavior Policy
- Academic Integrity Policy
- Student Accommodation Policy
- Laptop Computers in the Classroom
- University Attendance Policy

<http://www.rowan.edu/studentaffairs/communitystandards/handbook.html>