**Course Syllabus**

**Financial Management I**

**Houston Executive MBA Program**

**May 5 – June 3, 2017**

# **Course** Financial Management I

# **Professor** Bill Reese

Office Phone: 504-865-5465

E-mail: wreese@Tulane.edu

Office Hours: by appointment

**Text** *Corporate Finance* 11th Edition by Ross, Westerfield, Jaffe, Jordan

**Prerequisites** Introductory courses in Accounting and Statistics

**Grading** Exam 55%

Four Quizzes 40% (10% each)

Attendance 5%

**Objectives**: The goal of this course is to provide you with a sound understanding of the theory of corporate finance. We will cover a wide range of topics, including the time value of money, stock and bond valuation, the calculation of cash flows for a project, capital budgeting, the relationship between risk and return, and the cost of capital. By the end of the course you will have been introduced to the basic tools used in analyzing the investment and financing decisions made within firms.

**Calculators**

**and Excel** Calculators and/or Excel will be allowed for all quizzes and tests. A financial calculator that can solve for present value (PV), future value (FV),and internal rate of return (IRR) or a laptop computer with Excel is essential for some problems and is required for this course. My suggestion is that you use Excel, but if you decide to use a financial calculator, I recommend that you use one of the following: HP-12C; HP-10B; or Texas Instruments BAII Plus.

**Optional Review**

**Sessions** I will hold optional review sessions prior to the start of classes on the second and third weekends. This will be a time for us to go over quiz problems and review any material that we have already covered. We will decide on the days and times for these reviews during our first weekend of classes.

**Quizzes** I have posted ten problems on the website for each of the chapters we will have a quiz on. I have also posted the solutions for each of these problems. Having the solutions available will help you to see if you are doing them correctly. I encourage you to discuss these problems with your classmates whenever possible, and work through them in groups. Each of your quizzes will be one of the ten problems I have posted on the website – exactly as given, but with one number changed. This should allow you to answer the quiz problem quickly and easily. The dates for the quizzes are given in your class schedule. There are no quizzes scheduled for the first weekend of classes. We will not have time to work through the quiz problems in class, but will work through as many as you want during the optional review sessions.

**Additional**

**Problems** Your textbook has a number of problems at the end of each chapter. I have posted the solutions manual for these problems on the class website. I strongly encourage you to work through the problems in the text as well as the potential quiz problems. The more practice you get, the better you will know this important foundational material.

**Website** I will be maintaining a website for this course at

<https://breeseemba.tulane.edu/> On it, I will be posting announcements that you will want to read, chapter problems, class notes, solutions to end-of-chapter problems in your text, quiz problems and solutions, and other worthwhile information. I strongly encourage you to visit the website regularly to keep up with what’s going on in class. In particular, if you print out the class notes and bring them to class with you, I think you’ll find it easier to follow the lectures and you will not have to spend as much time writing everything down.

**Preparation** Prior to the first weekend of classes, please read through chapters 1, 4, and 8 in your text. We will not discuss the material from chapter 1 in class, but it is important foundational material – particularly if you have never taken a finance course before. We will begin our class discussions with the material contained in chapter 4.

**Course Schedule**

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| --- | --- | --- | --- |
| **Date** | **Material** | **Chapters** | **Quizzes** |
| First Friday | Introduction  The Time Value of Money | 1 and 4 |  |
| First Saturday | Bonds | 8 |  |
| Between Weekends One and Two, read chapters 9, 5, 6 and 10 and work through the problems for chapters 4 and 8-9 | | | |
| Second Friday | Stock  Net Present Value  IRR | 9 and 5 | 4 |
| Second Saturday | Calculating Cash Flows  Risk and Return | 6 and 10 | 8-9 |
| Between Weekends Two and Three, read chapters 11 and 13 and work through the problems for chapters 5-6 and 10-11 | | | |
| Third Friday | Asset Pricing | 11 | 5-6 |
| Third Saturday | Determinants of Beta  WACC | 13 | 10-11 |