

BA 519
ADVANCED MANAGERIAL FINANCE
Fall 2018
Section: 740

Instructor: Dr. Ling Lo, Ph.D.

Office: 329 Grise Hall

Office Hours: M/W/F 8:30am ~ 9:10am, 10:05am ~ 10:20am, & 11:50am ~ 12:40pm; and by appointment.

Email: Ling.Lo@wku.edu. **If you need to email me for any reason, please make sure to clearly state your course number (BA519) in the email!!!**

Phone: 270-745-2934

By email – To help with prompt response, please be as specific as possible regarding your question. **If you have a question that will benefit everyone, please post those inquiries to the discussion board.**

PREREQUISITES:

BA 509, FIN 330, or completion of Finance modules.

IMPORTANT DATE:

I may be out of town for a financial conference between 11/14 and 11/17.

REQUIRED TEXTBOOK:

Corporate Finance with Connect a Semester Access Card, by Ross, Westerfield, and Jaffe, **11th edition**, McGraw-Hill/Irwin. ISBN-13: 978-1259621789. Please use this [Connect link](http://connect.mheducation.com/class/y-lo-fall-2018-2) (<http://connect.mheducation.com/class/y-lo-fall-2018-2>) to register for the required Connect service for this course.

You have several alternatives for obtaining the text book.

- 1) You can buy the package including an access code from the WKU bookstore or elsewhere.
- 2) You can pay for the **11th** edition Connect Service on line through the same link provided above for \$130. Since this service comes with an eBook, you can decide if you also need a hard copy of the textbook.
- 3) For those of you who prefer a hard copy of the textbook, an older edition will be fine.

REQUIRED FINANCIAL CALCULATOR:

Texas Instruments TI BAI PLUS or TI BAI PLUS PROFESSIONAL calculator. Please note that an instruction manual of how to use this calculator is provided on Blackboard, and I will also show you how to set it up and how to use it along the way. On the other hand, if you already have a difference financial calculator, and you know how to use it well enough, you are more than welcome to use it. **Please note that I will “only” be showing you how to operate the financial calculator model(s) listed here**, while there are eight or more other financial calculator models in the market.

COURSE OBJECTIVES:

- Time value of money calculations.
- Various techniques to assess corporate investments (capital budgeting and net working capital).
- Capital structure of corporations and the role of leverage in the financing of corporations.
- Concept and calculation of various risks and returns.
- Application of real options in corporate finance.
- Business ethics and dividend policy will also be discussed.

COURSE PREPARATION:

In order to succeed in the course, it is essential that you stay current with all reading assignments, complete homework, and ask questions about anything unclear to you. It is also a good idea to participate in discussion boards when you have questions. Be prepared to actively participate. Good participants may receive bonus point(s) for the participation.

HOMEWORK:

Please make sure to complete the Connect homework online at the [Connect link](http://connect.mheducation.com/class/y-lo-fall-2018-2) (<http://connect.mheducation.com/class/y-lo-fall-2018-2>) by the due date, provided on Blackboard Calendar and Connect. You will have three submissions for each of the assigned homework assignments, and only the highest score per homework will be used to calculate your grade. You may use the e-book function to direct you to the related text book information while solving the online problems without any penalty. If you have questions about the homework, please ask the question through the discussion board, so that the rest of the class can benefit from it as well. Your homework will count as 30% of your final grade.

EXAMS:

Tentative exam dates and points are listed below. However, if necessary, the instructor can modify them provided with an announcement at least a week in advance. Each exam shall count as 35% of your final grade.

Mid-term: Nov. 13th ~ Nov. 19th

Final Exam: Dec. 9th ~ Dec. 15th

Exams will be given at testing centers. If you are a local student, you may take the exam at the WKU Testing Center or make arrangements to take the exams at another testing center (such as Sylvan Learning Centers). Students located out of the area must make arrangements to take the exams at an approved testing center. I ENCOURAGE YOU TO SCHEDULE YOUR TEST IMMEDIATELY AFTER MY EMAIL NOTIFICATION!!

- Please note that it is your responsibility to notify me of any scheduling conflict as soon as the conflict is known so there will be a reasonable amount of time to make other exam arrangements.
- Exams may consist of short essays; multiple choice and true/false questions; application problems; and more.
- Your testing center will provide you with a formula sheet and a few scrap papers with each exam. A copy of the formulas will be posted on Blackboard at least three days prior to the exam, so you will know what to expect.
- You have the option to bring up to two calculators during the exam. However, the BA II Plus financial calculator listed above should be sufficient to most of you. No other electronics will be allowed during the exam.
- ANY cheating behavior during any exam or in-class quiz will result in a course grade of F.

TENTATIVE GRADING SCALE:

Grades will be based on the weighted average of your exams. An incomplete will only be granted with the consent of the Finance Chairman. Final grades are specified to a tenth of a point.

A 90% and higher

B 80% to 89.9%

C 68% to 79.9%

D Below 68%

THE LEARNING CENTER

The Learning Center (TLC) (located in the Academic Advising and Retention Center, DUC-A330). Should you require academic assistance with this course, or any other General Education Course, there are several places that can provide you with help. TLC tutors in most major undergraduate subjects and course levels throughout the week. To make an appointment, or to request a tutor for a specific class, call 745-6254 or stop by DUC A330. Log on to [TLC's website](http://www.wku.edu/tlc) at www.wku.edu/tlc to find out more. TLC hours: M-Thur. 8am-9pm, Fri. 8am-4pm, Sat.-Closed, and Sundays 4pm-9pm.

AMERICAN DISABILITIES ACT STATEMENT:

Students with disabilities needing academic accommodations should 1) register with and provide documentation to the **OFFICE FOR STUDENT DISABILITY SERVICES (OFSDS)** located at Potter Hall, Room 447, Voice/TDD (270) 745-5004; and 2) bring a letter to the instructor from OFSDS indicating that you need academic accommodations. This must be done within the first week of class.

WKU's Title IX Sexual Misconduct/Assault Policy

Western Kentucky University (WKU) is committed to supporting faculty, staff and students by upholding [WKU's Title IX Sexual Misconduct/Assault Policy \(#0.2070\)](#) at <https://wku.edu/eoo/documents/titleix/wkutitleixpolicyandgrievanceprocedure.pdf> and

[Discrimination and Harassment Policy \(#0.2040\)](#) at

https://wku.edu/policies/hr_policies/2040_discrimination_harassment_policy.pdf.

Under these policies, discrimination, harassment and/or sexual misconduct based on sex/gender are prohibited. If you experience an incident of sex/gender-based discrimination, harassment and/or sexual misconduct, you are encouraged to report it to the Title IX Coordinator, Andrea Anderson, 270-745-5398 or Title IX Investigators, Michael Crowe, 270-745-5429 or Joshua Hayes, 270-745-5121.

Please note that while you may report an incident of sex/gender based discrimination, harassment and/or sexual misconduct to a faculty member, WKU faculty are "Responsible Employees" of the University and **MUST** report what you share to WKU's Title IX Coordinator or Title IX Investigator. If you would like to speak with someone who may be able to afford you confidentiality, you may contact WKU's Counseling and Testing Center at 270-745-3159.

TENTATIVE COURSE OUTLINE:

Topic	Readings Chapter	Homework Completed by
Introduction	1	10/21
Financial Statements and Analysis	2 & 3	10/23
Discounted Cash Flow Valuation	4	10/27
Net Present Value and Other Investment Rules	5	10/30
Making Capital Investment Decisions	6	11/03
Risk Analysis, Real Options, and Capital Budgeting	7	11/06
Bond Valuation	8	11/09
Stock Valuation	9	11/12
Mid-term		11/13 ~ 11/19
Return and Risk	10	11/22
The CAPM	11	11/26
Risk, Cost of Capital, and Capital Budgeting	13	11/29
Capital Structure	16	12/02
Capital Structure	17	12/05
Dividend Policy	19	12/08
Final Exam		12/09 ~ 12/15

Please note that the listed “Homework Completed by” deadlines above will also be provided on Blackboard Calendar, while the dates are subject to change when necessary. Please check Blackboard Calendar for the most up-to-dated schedules!!!