

Advanced Managerial Finance (BA 519)

Second Bi-term, Fall 2023

Instructor information

Instructor

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Email

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Office location & hours

GH 329, MWF 11:30 am-1:30 pm

General information

Prerequisites

FIN 330, or self-study module on Finance

Description

Advanced level exposure to the main concept of finance, such as financial statement analysis, time value of money, cost of capital, risk and return trade-off, capital budgeting, financing, and dividend policy of a firm. We will go over the current theory and practice of corporate finance in these areas.

Learning Objectives

Upon completion of this course, it is expected that you:

- Will be proficient in valuation concepts and financial analysis
- Will learn basic financial modeling skills
- Will understand the impact of capital structure and dividend policy decisions on the firm's value.
- Will be familiar with various financing instruments used by the firms

Course materials

Harvard Business Review (HBR) Case studies:

I will ask you to work on case studies related to the topics covered in the class, and we will discuss the case on the discussion board. I will post instructions on how to purchase the cases later.

Class Participation and Involvement in discussion boards are highly recommended. There is a strong correlation between participation and success in the class. "ALL students are REQUIRED to participate in HBR case discussion threads."

Required Text



How Finance Works by Mihir Desai.

Big Red Backpack: This book is not part of the BRB program, but you can get it from [Amazon](https://www.amazon.com/How-Finance-Works-Mihir-Desai/dp/0674069111).

Calculator: You may use any calculator you prefer; however, we will rely on Excel for most of our calculations and analyses.

Optional materials

The Wall Street Journal (WSJ) is my highly recommended publication for current events. Reading the WSJ will enrich class discussion and your knowledge. Good information is the key to making good investment decisions. WSJ link: <https://r.wsj.com/PROF3452>

Graded Material

Exams: There will be two exams for this course (one mid-term, and one final exam). Each exam will consist of slightly less than half conceptual questions and slightly more than half calculation questions.

- The exams will be conducted online through the Blackboard Ultra page for BA 519.
- You may use Excel during the exam, but you are not allowed to use the Excel templates provided to you. The exam Excel sheet should be created at the time of the test.
- The exams are open book-open notes.

Weekly Quizzes: Each week, you will have a quiz regarding the material covered in the previous week.

As a general policy of the MBA office, all exams and quizzes are due on Sunday night.

Case Studies: I have selected three case studies for this course.

Grading Details:

Component	Points
Midterm Exam	250
Final Exam	250
Quizzes	250
Case Studies	250
Total	1000

Grading example: if you earn an average of 85% in your quizzes, it translates to $85\% \times 250 = 212.50$ points

Grading Scale:

A = 900 and above

B = 800 to 899

C = 700 to 799

D = 550 to 699

F = 549 and below

Class Policies

- **Email is my primary means of communication.** I won't send an email unless it is necessary and important, and I always assume that you have read and understood what is in my email. If my email is not clear, you can always ask for clarification.
- **If you have a question regarding a topic (i.e., financial statement analysis or time value of money) you need to post your question on the discussion board.** I will not reply to emails with these types of questions. This is to increase the efficiency of the online class (i.e., instead of answering the same question 30 times, I can do it once on the discussion board). Plus, your question, which is shared in the discussion board, might help another student who didn't think about that concept from your point of view. If something is not clear, post your question on the discussion board regardless of the degree of difficulty or complexity.
- **Email is reserved for non-finance and administrative issues, such as asking for clarification regarding a Zoom session or exam dates, etc.**
- After the final grades are posted, I will ignore all emails requesting any favors, including but not limited to asking for extra points, extra rounding of the grades, or an extra credit assignment. Do your best to earn these points while you can.
- **Note: You are responsible for asking questions when you do not understand the material covered in videos. I cannot help you if you do not ask for help.**

Acceptable email format:

Dr. Mohsen or Dr. Aram,

Body of your email which might be a question or concern that you have.

Best,

Your name

The section of your class (or the time it meets) and your 800 number (which is useful when I have to look at your grades and records on Topnet)

Inappropriate email practices:

Informal language like “Hey Mr. Aram”.

Use of emoji in the email. Etc.

In short, any format that is not like above

Tentative Chapter and Topic Coverage

Week 1: Overview of Finance and Financial Statements (Analysis)

Week 2: Time value of money and Discounted Cash Flow Valuation

Week 3: Bond and stock valuations

Week 4: Risk and Return Tradeoffs and Capital Asset Pricing Model (CAPM)

Week 5: Capital Budgeting Decisions

Week 6: Cost of Capital

Week 7: Capital Structure Decisions

Week 8: Review and Exam

***** Note: I reserve the right to revise this syllabus and alter my course at my discretion. Changes in the schedule will be announced in Blackboard and through email.**

ADA Accommodations

In compliance with University policy, students with disabilities who require academic and/or auxiliary accommodations for this course must contact the Student Accessibility Resource Center located in Downing Student Union, Room 1074. The SARC can be reached by phone number at 270-745-5004 [270-745-3030 TTY] or via email at sarc.connect@wku.edu. Please do not request accommodations directly from the professor or instructor without a faculty notification letter (FNL) from The Student Accessibility Resource Center.

Title IX/ Discrimination & Harassment

Western Kentucky University (WKU) is committed to supporting faculty, staff and students by upholding WKU's Sex and Gender-Based Discrimination, Harassment, and Retaliation (#0.070) and Discrimination and Harassment Policy (#0.2040). 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 Executive Director, Office of Institutional Equity/Title IX Coordinator, Ena Demir, 270-745-6867 or Title IX Investigators or Michael Crowe, 270-745-5429. 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.

Chat GPT and Generative AI Statement Options

In general, I expect the work you submit in this class will be your own, and you are not authorized to use artificial intelligence (AI) tools. I will check your work using an AI detector.

COVID-19

All students are strongly encouraged to get the COVID-19 vaccine. In accordance with WKU policy, all students must call the WKU COVID-19 Assistance Line at 270-745-2019 within 4 hours of testing positive for COVID-19 or being identified as a close contact to someone who has tested positive. The COVID Assistance Line is available to answer questions regarding any COVID-19 related issue. This guidance is subject to change based on requirements set forth by federal, state, and local public health entities. Please refer to the Healthy on the Hill website for the most current information. www.wku.edu/healthyonthehill

WKU Counseling and Testing Center

The university experience should be challenging, but not overwhelming. To this end, the WKU Counseling Center provides a variety of services to help strengthen students' capacity to tolerate distress, form healthy relationships, and seek healthy expressions of their ideals and values. If you would like to speak with

someone, you may contact WKU's Counseling and Testing Center at 270-745-3159 or use their Here To Help service at <https://www.wku.edu/heretohelp/heretohelpemail.php>. If you need immediate help, please visit the Counseling Center in 409 Potter Hall or call the 24-hour emergency help line at 270-745-2548.

Big Red Backpack

The Big Red Backpack program is the title of WKU's partnership with Barnes & Noble College for their First Day Complete initiative. Big Red Backpack is a course materials delivery program that ensures students have their required course materials on the first day of class and may reduce the costs of materials for many of their courses. Enrollment in the program occurs automatically when students register for classes. Students may opt out of the program each semester, as long as they choose to opt out for all of their classes.

Students **MUST** carefully and completely follow all instructions regarding the Big Red Backpack Program. Those instructions will be provided by:

1. An email to all Topper email addresses from the Big Red Backpack Program one month prior to the start of classes.
2. The Big Red Backpack Program site: <https://www.wku.edu/bigredbackpack/>.

Students should refer to the Big Red Backpack Program site referenced above for opt-out deadlines and any additional details.