



Advanced Managerial Finance (BA519)

First Bi-term, Summer 2024

Instructor information

Instructor

Mohsen Aram, Ph.D.

Email

mohsen.aram@wku.edu

Office location & hours

Weekly Zoom session on Monday evenings. I will send invitations before each meeting. We can also have individual meetings by appointment.

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 a firm's dividend policy. We will review the current corporate finance theory and practice 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

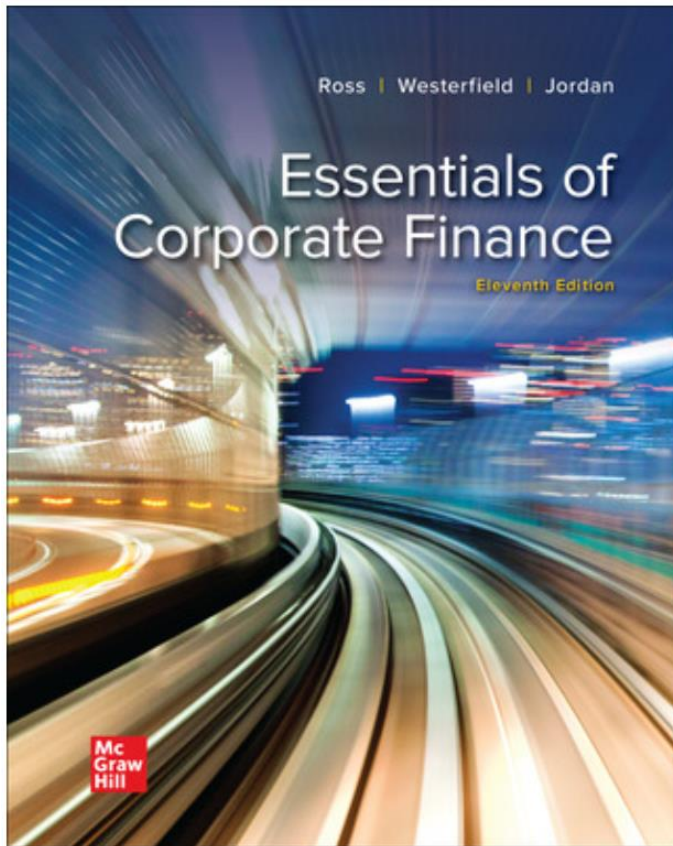
Course materials

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.

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



Essentials of Corporate Finance, 11th edition with McGraw Hill Connect

Ross, Westerfield, and Jordan

ISBN: 978-1-264-10157-3

This course participates in The WKU Big Red Backpack program. This program is designed to provide immediate access to required materials for all students at prices cheaper than any other option. Required materials will be delivered to you automatically by enrolling in this course unless you choose to opt-out.* By participating in this program, The WKU Store will bill your Student Billing account, and you will see a charge appear under this Term along with Tuition and Fees ("Account Summary by Term" under the Student Services tab) labelled as "The WKU Store Purchases" after the Add/Drop period. For more information on this program or to opt-out of participation, go to The WKU Store's website (www.wkustore.com) and click the Day One Access link under the Course Materials header.

*Do not opt out of the program or you will not be able to access Connect, accumulate extra credit or submit homework.

Big Red Backpack

<https://www.wku.edu/bigredbackpack/#student>

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 lowers the cost of course materials and ensures students have their required course materials on the first day of class. The program gives you access to all your course materials.

- Receive all your course materials before the first day of class.
- Save 35-50% on the cost of course materials each term.
- Benefit from a highly personalized concierge service.

"Course materials" covers required instructional content, such as traditional textbooks and lab manuals, and access codes to digital content or digital textbooks. The program does not cover consumable supplies that cannot be returned and reused, such as lab goggles, dissection kits, molecular model kits, engineering or nursing kits, art supplies or similar items.

For the Big Red Backpack program, \$24 per credit hour will be applied to your total bill. Big Red Backpack fees will be applied to your student account when you register for your classes. The per credit hour Big Red Backpack charge is non-refundable after the 100% refund period.

Opting Out of the program

You have the option of opting out of the Big Red Backpack program by Friday, September 1st. Opting out of the program opts out of all classes. You cannot choose individual classes. Opting out is all or none. If you opt out, you must purchase the course materials and **McGraw Hill Connect** access on your own. Materials may be purchased from the bookstore or from **McGraw Hill** directly through Blackboard.

If you opt-out, you will have access to materials at the beginning of the semester, but that access will be removed after the 'free trial.' You must then show proof of purchase to regain access. There might be a disruption in access then, but your work on Connect will not be lost and restored when you regain access.

Optional 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, since Excel is more prevalent and easier to use, we will rely on Excel for most 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 is now part of the WKU Libraries offerings for free.

Graded Material

Exams: This course will have two exams (one mid-term and one final exam). Each exam will consist of slightly less than half of the conceptual questions and somewhat more than half of the calculation questions.

- The exams will be conducted online through the Blackboard Ultra page for BA519.
- You need to install a lockdown browser for exams and quizzes. This is available through your Blackboard website. I will post detailed instructions on installing this browser before the first quiz.
- You can use the Excel sheet provided in the lockdown browser.
- The exams are open notes but keep in mind that, given the lockdown browser's nature, you will not be able to use digital notes. You must take handwritten notes (or print your notes) for the exam.
- You are not allowed to use a separate laptop or tablet during the exam.

Weekly Quizzes: Each week, you will have a quiz regarding the material covered in that week. Same exam policies are applied to quizzes too.

Case Studies: I have selected some case studies for this course and will assign them in the respective week the topic is covered.

Homework: I will post a homework assignment through McGraw Hill Connect website for all chapters covered in each module. You have three attempts for each homework assignment.

Important Note: As a general policy of the MBA office, all homework, exams, and quizzes are due on Sunday night. There is a 50% penalty for late submissions.

Grading Details:

Component	Points
Midterm Exam	200
Final Exam	200
Homework	300
Quizzes	200
Case Studies	100
Total	1000

Grading example: if you earn an average of 85% in your quizzes, it translates to $85\% \times 200 = 170$ points

I will aggregate the homework, quizzes, and case studies in the last week of classes. That way, you will know where you stand before entering the final week. A curve is possible at the end, but it depends on the class average at the end.

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 necessary and important, and I always assume 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, shared in the discussion board, might help another student who didn't think about that concept from your point of view. If something is unclear, post your question on the discussion board regardless of the difficulty or complexity.
- **Email is reserved for non-finance and administrative issues, such as asking for clarification regarding Zoom sessions, 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.**

Tentative Chapter and Topic Coverage

Module 1: Overview of Finance and Financial Statements Analysis (Chapters 1, 2, and 3)

Module 2: Time value of money and Discounted Cash Flow Valuation (chapters 4 and 5)

Module 3: Bond and stock valuations (Chapters 6 and 7)

Module 4: Capital Budgeting Decisions (Chapter 8) **(Midterm exam)**

Module 5: Risk and Return Tradeoffs and Capital Asset Pricing Model (chapters 10 and 11)

Module 6: Cost of Capital (Chapter 12) + (Case Study)

Module 7: Capital Structure Decisions (Chapter 13) + (Case Study)

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