

MGMT 610 - Finance

Instructor

Prof. Alexander Boquist

Office: KRAN 474

Online Office Hours: Zoom, times tbd.

Online Live Work Sessions: tbd.

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Course Description

MGMT 610 will develop skills in financial analysis and decision-making for students who may or may not be planning to work in the finance industry. I believe that any student who aspires to be a decision-maker and leader, regardless of functional area of expertise, must understand the basic principles of finance. We will study how to read and interpret financial statements, how to apply time value of money concepts to calculate present and future values (including discounted cash flow analysis). We then apply different techniques to decide which projects a firm should undertake in capital budgeting (including evaluation of the techniques themselves). Problem solving and various other active learning techniques will be used to give students opportunities to learn the theory and practice of financial management.

Course Outcomes

By the end of the course, students will be able to:

- Recognize the basic principles of finance and be able to apply those principles to make decisions.
- Read and interpret financial statements and apply the principles learned to calculate values.
- Evaluate different techniques in financial management and apply the techniques to solve problems.

Technical Requirements

The following information has been provided to assist you in preparing to use technology successfully.

- Internet access/connection: high speed recommended
- Headset/Microphone (if required for synchronous sessions in an online course)
- Microsoft Excel

Learning Resources & Texts

There is no required textbook for this course. If you would like a book to supplement the lecture notes and free online resources, one that I recommend is *Corporate Finance* by Ross, Westerfield, Jaffe and Jordan, published by McGraw-Hill Irwin Publishing.

All course material (lecture notes, cases, case spreadsheets, articles, etc.) will be posted on Brightspace.

Instructor's Online Hours

I will be available and respond to student questions as soon as I am available (generally 48) hours during the M-F work week. Student inquiries made during the weekend may experience a delayed response time. Questions about the course content, assignments, or lectures should be asked in the Q&A forum provided on

the discussion boards. Students are encouraged to answer questions from their peers on the Q&A forum. Email should only be used for personal questions. When emailing me, please place the course number in the subject line of the email. This will help me tremendously in locating your emails quicker.

Virtual Office Hours

Virtual Office Hours are a synchronous session (through Zoom) to discuss questions related to the course content. My virtual offices hours will be TBD.

Virtual Work Sessions

In each module, I will be offering at least one synchronous live session through Zoom. Students are encouraged to enroll live and participate in the activity with their colleagues. For those students who are not able to attend, the sessions will be recorded and posted on Brightspace afterward. Once the semester is started, I will send out a scheduling poll in order to find the time that best works for most of the students enrolled. As this is primarily an asynchronous course, these synchronous sessions are limited to no more than one hour per week.

Assignments

You will have several individual and group assignments throughout the semester. Details on these assignments, along with rubrics to guide evaluation, and guidelines on discussion participation and evaluation will be posted on Brightspace. The due dates for the assignments posted on the course website are in Eastern Standard Time (the local time zone of West Lafayette, Indiana).

The course grade will be based on a final exam, short module quizzes, case write-ups, homework assignments, and class participation (through Yellowdig). The weights for each of these are shown below:

Assignments	Points
Quizzes	20%
Class Participation	10%
Case Submissions	20%
Homework Assignments	15%
Final Exam	35%
Total	100%

Krannert Grading Policy

The target grade distribution for all *core courses* is approximately 35% A/A-, 55-60% B+/B, 5% B-, 0-5% C+ or below resulting in an average Grade Point Average (GPA) of 3.35 for each core course where the GPA is calculated as A = 4, A- = 3.70, B+ = 3.30, B = 3.00, B- = 2.70, C+ = 2.30, C = 2.00, C- = 1.70, D = 1.00 and F = 0.00.

Participation, Exam and Assignment policies

Final Exam. There will be a final exam on [XXX DATE]. The exam will be open notes, open book, etc. It will be done in Excel (submission details will be posted on Brightspace).

Homework. There is an introductory homework worth 10 points, and there will be weekly assignments that will help reinforce class material and help you prepare for the exam.

Quizzes. There will be a weekly quiz to make sure everyone is keeping up with the class material and lecture videos. Make sure you take the quiz after you have gone through all the lectures that it covers! They will be short, timed, multiple choice quizzes.

Case Write-Ups. There will be two cases in this course, and you will need to submit a write-up and spreadsheet for each of them. I will post questions on Brightspace for you to consider as you prepare your submission.

Class Participation. The main tool we will use for class participation is Yellowdig, a message board type of software that will allow me to start discussions, but also for students to start discussions. I will participate as necessary in those discussions. There are always relevant current events in the financial markets, so feel free to discuss any of those in Yellowdig, and I will occasionally post any articles I find interesting from the financial press.

Netiquette

You are encouraged to comment, question, or critique ideas. However, be mindful that sarcasm and humor can be easily misconstrued in online interactions. Please read the Netiquette rules for this course:

- Give other students the opportunity to join in the discussion.
- Present ideas appropriately.
- Be cautious in using Internet language. For example, do not capitalize all letters since this suggests shouting.
- Avoid using vernacular and/or slang language. This could possibly lead to misinterpretation.
- Keep an "open-mind" and be willing to express even your minority opinion.
- Think and edit before you share (e.g., post or email).
- Ask for feedback.

Course Evaluation

During the last two weeks of the course, you will be provided with an opportunity to evaluate this course and your instructor. Purdue now uses an online course evaluation system. You will receive an official email from evaluation administrators with a link to the online evaluation site. You will have up to two weeks to complete this evaluation. Your participation is an integral part of this course, and your feedback is vital to improving education at Purdue University. I strongly urge you to participate in the evaluation system.

Academic Dishonesty

Purdue prohibits "dishonesty in connection with any University activity. Cheating, plagiarism, or knowingly furnishing false information to the University are examples of dishonesty." [Part 5, Section III-B-2-a, University Regulations] Furthermore, the University Senate has stipulated that "the commitment of acts of cheating, lying, and deceit in any of their diverse forms (such as the use of substitutes for taking examinations, the use of illegal cribs, plagiarism, and copying during examinations) is dishonest and must not be tolerated. Moreover, knowingly to aid and abet, directly or indirectly, other parties in committing dishonest acts is in itself dishonest." [University Senate Document 72-18, December 15, 1972]

Emergency Statement

In the event of a major campus emergency, course requirements, deadlines and grading percentages are subject to changes that may be necessitated by a revised semester calendar or other circumstances beyond the instructor's control. Relevant changes to this course will be posted onto the course website or can be

obtained by contacting the instructors or TAs via email or phone. You are expected to read your @purdue.edu email on a frequent basis.

Disability Statement

Students with disabilities must be registered with Disability Resource Center in the Office of the Dean of Students before classroom accommodations can be provided. If you are eligible for academic accommodations because you have a documented disability that will impact your work in this class, please schedule an appointment with me as soon as possible to discuss your needs.

Nondiscrimination

Purdue University is committed to maintaining a community which recognizes and values the inherent worth and dignity of every person; fosters tolerance, sensitivity, understanding, and mutual respect among its members; and encourages each individual to strive to reach his or her own potential. In pursuit of its goal of academic excellence, the University seeks to develop and nurture diversity. Purdue University prohibits discrimination against any member of the University community on the basis of race, religion, color, sex, age, national origin or ancestry, genetic information, marital status, parental status, sexual orientation, gender identity and expression, disability, or status as a veteran. Any student who believes they have been discriminated against may visit www.purdue.edu/report-hate to submit a complaint to the Office of Institutional Equity. Information may be reported anonymously.

Academic Guidance in the Event a Student is Quarantined/Isolated

If you become quarantined or isolated at any point in time during the semester you will have access to an Academic Case Manager who can provide you academic support. Your Academic Case Manager can be reached at acmq@purdue.edu and will provide you with general guidelines/resources around communicating with your instructors, be available for academic support, and offer suggestions for how to be successful when learning remotely. Importantly, if you find yourself too sick to progress in the course, notify your academic case manager and notify me via email or Brightspace. We will make arrangements based on your particular situation. The Office of the Dean of Students (odos@purdue.edu) is also available to support you.

Course Schedule

Week 1 (August 24th to August 28th)

Module 1: Financial Statements, Cash Flows and Ratio Analysis

Assessments: Module 1 quiz and homework due 11:59pm on Monday, August 31st.

Week 2 (August 31st to September 4th)

Module 2: Time Value of Money

Assessments: Module 2 quiz and homework due 11:59pm on Monday, September 7th.

Week 3 and 4 (September 7th to September 18th)

Module 3: Capital Budgeting

Assessments: Module 3 quiz #1 and homework #1 due 11:59pm on Monday, September 14th.

Module 3 quiz #2 and homework #2 due 11:59pm on Monday, September 21st.

Case submission due 11:59pm on Monday, September 21st.

Week 5 and 6 (September 21st to October 2nd)

Module 4: Risk, Return and Cost of Capital

Assessments: Module 4 quiz #1 and homework #1 due 11:59pm on Monday, September 28th.

Module 4 quiz #2 and homework #2 due 11:59pm on Monday, October 5th.

Case submission due 11:59pm on Monday, October 5th.

Week 7 (October 5th to October 9th)

Module 5: Options

Assessments: Module 5 quiz and homework due 11:59pm on Saturday, October 10th.