Financial Management 53:390:506

Fall 2018

Professor: Dr. Richard A. Michelfelder, Ph.D.
Camden Office: Room 437, Business and Science Center

Contact Information:
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Preferred Phone Contact: Mobile Phone 609.214.0986 (has voice mail / text),
E-mail: richmich@rutgers.edu (please identify the class in subject line)

Office Hours: By appointment, before or after class

Required Text:

Other Readings to be Distributed in Class:

Selected readings from finance and economic journals, consulting and corporate reports, white papers, newspapers, and other sources will be distributed for reading and forthcoming review in class.

Course Website

Posted will be the syllabus, resources (articles and examples), power point slides, announcements, guides, etc. To access this system, go to http://sakai.Rutgers.edu.

Classroom Accommodation for Disabilities

Students who are seeking an accommodation because of a disability are directed to the website http://learn.camden.rutgers.edu/disability/disabilities.html or they can contact the Camden campus Disability Coordinator, Mr. Tim Pure at 856-225-6442, Armitage
Hall Room 362. The email address is disabilityservices@camden.rutgers.edu. All contact will be considered confidential.

**Course Objective:**

This is an introductory course in MBA-level finance. The objective of the course is to understand the framework of corporate finance, its key topics, and to develop knowledge in how to approach a business financial problem, perform the appropriate financial analysis, and make financial decisions. Applications and actual business cases will be discussed.

Topics to include a summary review of financial statements and financial statement analysis, valuation and the time value of money, analysis of risk and measurement, the cost of capital, stock, bond, and other asset valuation, capital budgeting and project investment decision-making, debt, dividend policy, mergers, acquisitions, and divestitures.

Since this a graduate course, you will be exposed to a few seminal academic journal articles on key issues such as the empirical validity of the capital asset pricing model.

**Learning Objectives:**

1) Apply financial statement analysis for assessing the position of a firm, cash flow forecasting and for valuation of assets,
2) Developing a business and financial plan for an investment proposal,
3) Perform valuations of assets, firms, and stocks,
4) Risk analysis, risk management and relation of risk to the cost of capital,
5) Making a project investment decision,
6) Financing the project with debt and / or equity, and,
7) Applying all of the above.

At a general level, you should leave this course being able to conduct _valuation and evaluation_ analysis for a project investment decision. Case examples and applications will be used vigorously throughout the course.
Overall Policy and Grading:

You are responsible for all readings and the completion of assignments on a timely basis. Your grade will be determined by two examinations, a team project, and the completion of all assignments. Grading is as follows:

Final Examination: 50%
This examination will be essay in nature and will cover all topics in the course.

Mid-Term Examination: 20%
This examination will be essay in nature and will cover all topics that are discussed by the first half of the course.

Team Project, Participation & Assignments: 30%
The team project will be a project that will be developed and presented by a team of students. The project will be the development of a business/project investment analysis and plan. Additionally, special assignments will be given occasionally throughout the course. They are to be completed individually, submitted on the due date and will be discussed in class. Class readings are assigned as associated with each Outline below. Please accept this statement as your whole course text-related reading assignments; coordinate the Outlines we discuss in class and the text readings. I will not specify text-related readings assignments as we progress. They are as stated. Lastly, attendance will be taken as it is critical to attend class to perform well in the course.
# COURSE OUTLINE

<table>
<thead>
<tr>
<th>TOPICS</th>
<th>READINGS</th>
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<tbody>
<tr>
<td>1. Review of Financial Statements and Analysis</td>
<td>Chapters 3, 4</td>
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<td>2. Valuation, Time Value of Money and Introduction to Discount Rates and Rate of Return</td>
<td>Chapter 5</td>
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<td>3. Risk, Return, and Cost of Capital</td>
<td>Chapters 11, 12, 13</td>
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<td>Fama, French (2004)</td>
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<td>4. Capital Budgeting and Project Investment</td>
<td>Chapters 8, 9, 10</td>
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<td>Decision-making</td>
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<td>5. Stock and Bond Valuation</td>
<td>Chapters 6, 7</td>
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<td>6. Capital Structure, Use of Debt, Financing Capital, and Value of the Firm</td>
<td>Chapter 16</td>
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<td>7. Dividend Policy and the Value of the Firm</td>
<td>Chapter 17</td>
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<td>8. Mergers, Acquisitions and Divestitures</td>
<td>Chapter 21</td>
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1. Note: All other assigned readings distributed in class and posted on-line are also required readings.