Intermediate Financial Management
Finance 3373.002
Fall 2023

INSTRUCTOR: Samuel Kyle Jones, Ph.D., CFA
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OFFICE: McGee 115A
OFFICE HOURS: MW 10am-noon, 1-3pm, TR 1-3pm, or by appointment.
CLASS TIME & LOCATION: TR 11:00am-12:15pm, BUSI 121

Course Description:
Study of the conceptual and analytical framework guiding the investment, financing, and operating decisions of the firm.

Course Objectives:
This course builds upon the material covered in the introduction to financial management course (FINC 3333). The goal of the firm is the same, to maximize shareholder wealth, and as such, you will find that financial decision-making will be no different from that which you learned in Finance 3333. What makes this course unique is that some topics are covered again, but in greater depth and breadth, while other topics will be introduced for the first time – all to increase your understanding of financial theory and its application. To this end, you will find that successful completion of this course will require the following:

• Understand the basis of corporate value and the methods by which managers may alter that value
• Learn how industry life cycles, competition, and macroeconomic growth affects firm growth, profitability, investment policy, capital structure, and dividend policy.
• Broaden your understanding of capital budgeting to the introduction of project risk and how various options can create value in a project
• Gain an in-depth understanding of the complete computation of a firm’s cost of capital and its implications towards firm value
• Understand what factors are important in determining the optimal mix of debt and equity financing for a firm
• Understand how dividend policy can affect firm value and why different firms can have different optimal distribution policies
• Gain a basic understanding of mergers & acquisitions

Course Prerequisites:
FINC 3333 – Introduction to financial management

Text and Materials:
• Financial calculator that can compute NPV and IRR and which has a cash flow feature.
  o The Texas Instruments BAII Plus, Texas Instruments BAII Plus Professional, or the Hewlett Packard 10BII are recommended

Course Grade:
Your grade is based on your cumulative points from three exams (100 points each) and your best eight homework assignments (25 points each) for a maximum of 500 points with grades assigned as follows:
A=450+  B=400+  C=350+  D=300+  F<300
### Course Outline:

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<th>Date</th>
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<th>Topic</th>
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<td>Aug-29</td>
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<td>Accounting for Financial Management</td>
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<td>Accounting for Financial Management</td>
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<td>Sep-05</td>
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<td>Corporate Valuation and Stock Valuation</td>
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<td>Sep-19</td>
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<td>Sep-21</td>
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<td>PDF</td>
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<td>Oct-17</td>
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<td>Capital Budgeting: Decision Criteria</td>
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<td>Oct-19</td>
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<td>Nov-28</td>
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<td>Dec-05</td>
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<td>Mergers &amp; Corporate Control</td>
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<td>10:30-12:30</td>
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**NOTE:** PDF Chapters are available on D2L.

- **Asynchronous Instruction:** This course will include a minimum of 150 minutes of asynchronous instruction (instruction outside of normal class hours) which may include readings, writing assignments, and/or group projects. You will be alerted to all asynchronous instruction requirements as they arise throughout the semester.
Due Date   | Homework Assignment
--------|----------------------
Sep-11   | HW 1 - Cash Flow, EVA, MVA Analysis
Sep-18   | HW 2 - Stock Valuation & Company Valuation
Sep-25   | HW 3 – Sustainable Growth Analysis
Oct-16   | HW 4 - Cost of Capital
Oct-23   | HW 5 - Capital Budgeting: Decision Criteria
Oct-30   | HW 6 - Capital Budgeting: Cash Flow Estimation & Risk Analysis
Nov-06   | HW 7 - Real Options
Nov-17   | HW 8 - Capital Structure
Dec-01   | HW 9 - Dividend Policy
Dec-06   | HW 10 - Mergers & Acquisitions

• Submit completed assignments to the appropriate dropbox before the assignment deadline. You may resubmit your work prior to the deadline, but only the most recent submission will be graded. Assignments submitted after the deadline will not be graded.
• Your work must be your own work. If you submit a copy of another student’s work, then neither submission will be graded.
• Please use one of the following formats when submitting your completed assignments: MS Word, MS Excel, Adobe PDF, or a readable screen shot in jpeg format.
Class Policies:

1. Promptness:
   - Attendance is strictly voluntary. However, there is a strong correlation between attendance and student outcomes, so I encourage you to attend every class – it is to your benefit to do so.
   - Please be on-time for class. The classroom door will be closed shortly after the start of class. Once closed the doors are automatically locked and as such you will not be able to enter, or re-enter if you leave during class. Please show up on time and expect to remain for the duration of the class.
   - On exam days, if you leave the classroom then you must turn in your exam and will not be allowed to work on it further. Go to the bathroom, take care of personal business, etc. before the exam.

2. Electronic Devices:
   - With the exception of your calculator, no other electronic devices are allowed during exams. You will be asked to turn off and put these devices away before the start of each exam.

3. Office Hours
   - Office hours (see top of this syllabus) are held face to face and through Zoom. For those of you who prefer to see me in person, my office is McGee 115A. If you prefer to use zoom for an office meeting, then please email me and I’ll setup a meeting time and send you the zoom login information.

4. Make-ups:
   - Make-ups on exams and quizzes will be allowed only for university accepted excuses which include absences related to health, family emergencies, and university sponsored events.
   - In the case of university sponsored events you must provide me with written notice (from the faculty or staff member in charge of the event) prior to the event.
   - In the case of health or family emergency you must provide me with written notification from a professional that you or your family member saw (e.g. a doctor, nurse, etc) and this memo must have contact information so I can verify the memo.
   - No other reason will merit a make-up.

Mental Health Resources:
SFASU values students’ mental health and the role it plays in academic and overall student success. SFA provides a variety of resources to support student mental health and wellness. Many of these resources are free, and all of them are confidential.

On-campus Resources:
SFASU Counseling Services
www.sfasu.edu/counselingservices
3rd Floor Rusk Building
936-468-2401

SFASU Human Services Counseling Clinic
www.sfasu.edu/humanservices/139.asp
Human Services Room 202
936-468-1041

Crisis Resources:
Burke 24-hour crisis line 1(800) 392-8343
Suicide Prevention Lifeline  1(800) 273-TALK (8255)
Crisis Text Line: Text HELLO to 741-741
Program Learning Outcomes:

Program learning outcomes define the knowledge, skills, and abilities students are expected to demonstrate upon completion of an academic program. These learning outcomes are regularly assessed to determine student learning and to evaluate overall program effectiveness. You may access the program learning outcomes for your major and particular courses at http://www.sfasu.edu/cob/ug-plo.asp.

General Student Policies:

Academic Integrity (4.1)

Academic integrity is a responsibility of all university faculty and students. Faculty members promote academic integrity in multiple ways including instruction on the components of academic honesty, as well as abiding by university policy on penalties for cheating and plagiarism.

Definition of Academic Dishonesty

Academic dishonesty includes both cheating and plagiarism. Cheating includes but is not limited to (1) using or attempting to use unauthorized materials to aid in achieving a better grade on a component of a class; (2) the falsification or invention of any information, including citations, on an assigned exercise; and/or (3) helping or attempting to help another in an act of cheating or plagiarism. Plagiarism is presenting the words or ideas of another person as if they were your own. Examples of plagiarism are (1) submitting an assignment as if it were one's own work when, in fact, it is at least partly the work of another; (2) submitting a work that has been purchased or otherwise obtained from an Internet source or another source; and (3) incorporating the words or ideas of an author into one's paper without giving the author due credit. Please read the complete policy at http://www.sfasu.edu/policies/academic_integrity.asp

Withheld Grades - Semester Grades Policy (5.5)

Ordinarily, at the discretion of the instructor of record and with the approval of the academic chair/director, a grade of WH will be assigned only if the student cannot complete the course work because of unavoidable circumstances. Students must complete the work within one calendar year from the end of the semester in which they receive a WH, or the grade automatically becomes an F. If students register for the same course in future terms the WH will automatically become an F and will be counted as a repeated course for the purpose of computing the grade point average.

Students with Disabilities

To obtain disability related accommodations, alternate formats and/or auxiliary aids, students with disabilities must contact the Office of Disability Services (ODS), Room 325 in the Human Services Building, 468-3004 / 468-1004 (TDD) as early as possible in the semester. Once verified, ODS will notify the course instructor and outline the accommodation and/or auxiliary aids to be provided. Failure to request services in a timely manner may delay your accommodations. For additional information, go to http://www.sfasu.edu/disabilityservices/.

Acceptable Student Behavior

Classroom behavior should not interfere with the instructor’s ability to conduct the class or the ability of other students to learn from the instructional program (see the Student Conduct Code, policy 10-4). Unacceptable or disruptive behavior will not be tolerated. Students who disrupt the learning environment may be asked to leave class and may be subject to judicial, academic, or other penalties. This prohibition applies to all instructional forums, including electronic, classroom, labs, discussion groups, field trips, etc. The instructor shall have full discretion over what behavior is appropriate/inappropriate in the classroom. Students who do not attend class regularly or who perform poorly on class projects/exams may be referred to the iCare Early Alert Program. This program provides students with recommendations for resources or other assistance that is available to help SFA students succeed.