COURSE SYLLABUS  
BRMB-5225-01: FINANCIAL MANAGEMENT  
Winter Quarter 2020  
Tuesday 9:00 AM – 11:40 AM, Chardin Hall 142

PROFESSOR: Katya Emm, Ph.D.  
OFFICE: Pigott 526  
PHONE: 206/296-5785  
E-MAIL: emm@seattleu.edu  
COURSE WEBSITE: https://seattleu.instructure.com/  
OFFICE HOURS: Tue 1:00 PM – 2:00 PM and by appointment

Course description
This course is the study of the theory and techniques related to financial decision making within firms. Topics include time value of money, valuation, capital budgeting, market efficiency, risk/return tradeoff, portfolio theory, CAPM model, capital structure, dividend policy, and financial institutions.

Objectives
At the end of the course, students should be able to:
  ✓ Understand and be able to interpret financial statements  
  ✓ Understand the methods and uses of the time value of money  
  ✓ Understand bond and stock valuation techniques  
  ✓ Understand the relationship between risk and return  
  ✓ Understand the cost of capital estimation  
  ✓ Know the techniques and applications of capital budgeting

Prerequisites
Quantitative skills at the level of intermediate algebra;  
Regular access to the course website.
Required and recommended reading


3. Handouts and other reading materials will be distributed or posted on the course website.

MS Excel software/Calculator

It is essential that you have access to MS Excel on your computer or a financial calculator to use in class. Bring your computer or calculator to each class. Many textbook problems require complex arithmetic operations, and a spreadsheet or financial calculator are necessary to solve these problems efficiently. This is especially true for exams. If you plan to purchase a financial calculator, I recommend that you use the Texas Instruments BA II Plus calculator in this course.

Course website

The course website plays a critical role in this course. It includes, among other things, the most recent version of the course calendar, assignments and your up-to-date grades visible only to you. Check the announcement page often—important notices and updates from the course will appear there. You can access the course website through CANVAS at: https://seattleu.instructure.com/

Attendance and class participation

You will find that regular attendance and class participation are essential for your success in this course. I expect you to be fully aware of the issues discussed in class. Note that the coverage during lectures will not be limited to the textbook.

News minute presentation

You will present relevant financial news or describe a concept or recent development in the area of corporate finance. Your presentation should not exceed 5 minutes. If you fail to make your presentation as scheduled, a score of zero will be assigned for that portion of your grade.

Book presentation

Your presentation will be based on your assigned chapter from *The Essays of Warren Buffett: Lessons for Corporate America*. You will work on your presentation in teams of two and will be assigned a specific date on which you are expected to make your presentation. Please make sure to set up the classroom computer to project any files or websites before the class. The presentation should not exceed 15 minutes.
**Homework assignments:**

Assignments due each class period are listed in the course calendar. Bring all assigned problems on a loose sheet of paper ready to be handed in at the *beginning* of the class period. Each time, I may grade all/part/none of the problems. For the problems that are not graded, you will receive full credit for your effort to completely solve it. If you cannot make it to a particular class session, but would like to receive full credit for collected assignments that class, you are expected to email me *all* assigned problems for that class *before* the beginning of the class. Late assignments are not accepted. A missed assignment will be graded as zero. I will drop the lowest one grade out of all the homework assignments.

**Final exam**

The final exam will take place during the final exam week. If you know that you will not be able to attend the exams, you must request permission to be absent from the exam in advance of it. Your request must be supported by written documentation of the conflicting situation that prevents you from taking the exam. If the absence from the exam is not excused, a score of zero will be assigned for the missed exam.

**Grade weights**

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>News minute presentation</td>
<td>15%</td>
</tr>
<tr>
<td>Book presentation</td>
<td>20%</td>
</tr>
<tr>
<td>Homework assignments</td>
<td>30%</td>
</tr>
<tr>
<td>Final exam</td>
<td>35%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
</tr>
</tbody>
</table>

The course letter grade will be assigned according to the following schedule:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Score Range</th>
<th>Grade</th>
<th>Score Range</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>95 – 100</td>
<td>77 – 79.9</td>
<td>C+</td>
<td></td>
</tr>
<tr>
<td>A-</td>
<td>90 – 94.9</td>
<td>74 – 76.9</td>
<td>C</td>
<td></td>
</tr>
<tr>
<td>B+</td>
<td>87 – 89.9</td>
<td>67 – 73.9</td>
<td>C-</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>84 – 86.9</td>
<td>60 – 66.9</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>B-</td>
<td>80 – 83.9</td>
<td>below 59.9</td>
<td>F</td>
<td></td>
</tr>
</tbody>
</table>

**Academic honesty and integrity**

Seattle University is committed to the principle that academic honesty and integrity are important values in the educational process. Academic dishonesty in any form (e.g., copying during exams, using stored formulas in programmable calculators, using formula sheets or other notes that are not permitted during exams, engaging in unauthorized collaborating on and/or copying course assignments) is a serious offense against the academic community. Acts of academic dishonesty will be addressed according to the Seattle University Academic Integrity Policy. The policy can be found at the following address: [https://www.seattleu.edu/registrar/academics/performance/](https://www.seattleu.edu/registrar/academics/performance/)
You can familiarize yourself with the principles and expectations of academic integrity by taking an Academic Integrity Tutorial, which can be found at [https://www.seattleu.edu/academicintegrity/](https://www.seattleu.edu/academicintegrity/). If you are not sure whether a particular action is acceptable according to the Academic Honesty Policy, you should check with your instructor before engaging in it.

**Academic resources**
- Library and Learning Commons ([http://www.seattleu.edu/learningcommons/](http://www.seattleu.edu/learningcommons/))
  (This includes: Learning Assistance Programs, Research [Library] Services, Writing Center, Math Lab)
- Academic Integrity Tutorial (found on Canvas and SU Online)

**Academic policies on Registrar website** ([https://www.seattleu.edu/redhawk-axis/academic-policies/](https://www.seattleu.edu/redhawk-axis/academic-policies/))
- Academic Integrity Policy
- Academic Grading Grievance Policy
- Professional Conduct Policy (only for those professional programs to which it applies)

**Notice for students concerning disabilities**
If you have, or think you may have, a disability (including an ‘invisible disability’ such as a learning disability, a chronic health problem, or a mental health condition) that interferes with your performance as a student in this class, you are encouraged to arrange support services and/or accommodations through Disabilities Services staff located in Loyola 100, (206) 296-5740. Disability-based adjustments to course expectations can be arranged only through this process.

**Office of institutional equity**
Title IX of the Education Amendments of 1972 (Title IX) prohibits discrimination based on sex in educational programs or activities that receive Federal financial assistance. This prohibition includes sexual misconduct, which encompasses sexual harassment and sexual violence. Seattle U remains committed to providing a safe and equitable learning, living, and working environment. Seattle U offers emergency, medical, and other support resources, as well as assistance with safety and support measures, to community members who have experienced or been impacted by sexual misconduct.

Seattle U requires all faculty and staff to notify the University’s Title IX Coordinator if they become aware of any incident of sexual misconduct experienced by a student.

For more information, please visit [https://www.seattleu.edu/equity/](https://www.seattleu.edu/equity/). If you have any questions or concerns, you may also directly contact the Title IX Coordinator in the Office of Institutional Equity (email: oie@seattleu.edu; phone: 206.296.2824) University Resources and Policies
**General responsibility**

You are responsible for knowledge of any administrative announcements (test information, schedule changes, etc.) that are made at any time during scheduled class periods regardless of whether you are in attendance. If you are absent, ask a classmate to keep you informed. I will also assume that you are aware of all updates posted by me on the course website’s announcement page.

I expect you to be considerate and respectful in class to your fellow students. This includes turning off cell phones and refraining from side conversations. Finally, make every effort to avoid late arrivals and early departures to minimize distractions.
NOTE: This calendar provides a planned outline of the course topics and events. Deviations may be necessary. If so, they will be announced in class and on the website. It is your responsibility to be informed of these changes.

Bring the assignment(s) with you ready to be collected at the beginning of class on the date specified. If you cannot make it to that class session, but want to receive full credit for the collected assignment, you are expected to email it to me before the beginning of the class.

<table>
<thead>
<tr>
<th>DATE</th>
<th>EVENT</th>
<th>TOPIC</th>
<th>DELIVERABLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jan-7</td>
<td>Introduction</td>
<td>Ross Ch 1</td>
</tr>
<tr>
<td>2</td>
<td>Jan-14</td>
<td>Financial Statements</td>
<td>Ross Ch 2; Homework 1</td>
</tr>
<tr>
<td>3</td>
<td>Jan-21</td>
<td>Buffett Prologue</td>
<td>Ross Ch 3</td>
</tr>
<tr>
<td>4</td>
<td>Jan-28</td>
<td>Buffett Ch. I</td>
<td>Financial Statement Analysis, cont’d</td>
</tr>
<tr>
<td>5</td>
<td>Feb-4</td>
<td>Buffett Ch. VI (skip F)</td>
<td>Time Value of Money</td>
</tr>
<tr>
<td>6</td>
<td>Feb-11</td>
<td>Buffett Ch. II</td>
<td>Debt Valuation</td>
</tr>
<tr>
<td>7</td>
<td>Feb-18</td>
<td>Buffett Ch. III</td>
<td>Equity Valuation</td>
</tr>
<tr>
<td>8</td>
<td>Feb-25</td>
<td>Buffett Ch. IV</td>
<td>Risk and Cost of Capital</td>
</tr>
<tr>
<td>9</td>
<td>Mar-3</td>
<td></td>
<td>Capital Budgeting</td>
</tr>
<tr>
<td>10</td>
<td>Mar-10</td>
<td>Buffett Ch. V</td>
<td>Review</td>
</tr>
<tr>
<td>11</td>
<td>Mar-17, Tue</td>
<td>Final exam</td>
<td>Chapters 1 – 6, 8, 9, 11, 13</td>
</tr>
</tbody>
</table>

---
PRACTICE PROBLEMS

CQ stands for Concept Questions section, QP stands for Questions and Problems section, and the first digit in a problem number indicates the chapter in Corporate Finance, 10th Edition (by Ross, Westerfield, and Jaffe) where the problem is located.

Homework 1
CHAPTER 1: CQ 1.1, 1.3, 1.4, 1.6, 1.8

Homework 2
CHAPTER 2: CQ 2.2, 2.5
QP 2.1, 2.2, 2.3, 2.7, 2.15, 2.22 (construct the statements for 2012 only)

Homework 3
CHAPTER 3: CQ 3.6, 3.9
QP 3.1, 3.2, 3.3, 3.5, 3.6, 3.7, 3.10a,c, 3.11, 3.16

Homework 4
CHAPTER 4: CQ 4.1, 4.2, 4.4
QP 4.6, 4.8, 4.11, 4.13, 4.16, 4.17, 4.19, 4.20, 4.21, 4.38, 4.51

Homework 5
CHAPTER 8: CQ 8.2, 8.16
QP 8.2, 8.3, 8.4, 8.5, 8.15, 8.18

Homework 6
CHAPTER 9: CQ 9.1, 9.2, 9.5

Homework 7
CHAPTER 11: CQ 11.1, 11.2, 11.6
QP 11.12, 11.13, 11.14, 11.15, 11.18

CHAPTER 13: CQ 13.2
QP 13.5, 13.11, 13.12 (Clarification for (a): You are asked to find weights of debt and equity based on their market values.)

Homework 8
CHAPTER 5: CQ 5.2, 5.3
QP 5.1, 5.5, 5.7, 5.23 (Hint: Use Dividend Discount Model to solve this problem.)

CHAPTER 6: CQ 6.1, 6.3
QP 6.6, 6.7, 6.9