

1. General Information

1a. Submitted by the College of: BUSINESS AND ECONOMICS

Date Submitted: 11/25/2013

1b. Department/Division: B&E Graduate Center

1c. Contact Person

Name: Steven Skinner

Email: steve.skinner@uky.edu

Phone: 257-1543

Responsible Faculty ID (if different from Contact)

Name:

Email:

Phone:

1d. Requested Effective Date: Semester following approval

1e. Should this course be a UK Core Course? No

2. Designation and Description of Proposed Course

2a. Will this course also be offered through Distance Learning?: No

2b. Prefix and Number: EMBA 609

2c. Full Title: Financial Management I

2d. Transcript Title:

2e. Cross-listing:

2f. Meeting Patterns

LECTURE: 2

2g. Grading System: Graduate School Grade Scale

2h. Number of credit hours: 2

2i. Is this course repeatable for additional credit? No

If Yes: Maximum number of credit hours:

If Yes: Will this course allow multiple registrations during the same semester?

2j. Course Description for Bulletin: The goal of this course is to provide an overview of modern corporate financial methods with an emphasis on practical financial decision that financial managers in the real world need to make on a regular basis. Emphasis will be placed on the investment decision (how firms should spend money). This course takes the perspective of a corporate financial manager attempting to pursue strategies that increase shareholder wealth.

2k. Prerequisites, if any: Admission to the EMBA program.

2l. Supplementary Teaching Component:

3. Will this course taught off campus? Yes

If YES, enter the off campus address: Possibly at the University of Louisville

4. Frequency of Course Offering: Spring,

Will the course be offered every year?: Yes

If No, explain:

5. Are facilities and personnel necessary for the proposed new course available?: Yes

If No, explain:

6. What enrollment (per section per semester) may reasonably be expected?: 40

7. Anticipated Student Demand

Will this course serve students primarily within the degree program?: Yes

Will it be of interest to a significant number of students outside the degree pgm?: No

If Yes, explain: [var7InterestExplain]

8. Check the category most applicable to this course: Traditional – Offered in Corresponding Departments at Universities Elsewhere,

If No, explain:

9. Course Relationship to Program(s).

a. Is this course part of a proposed new program?: Yes

If YES, name the proposed new program: Joint Executive MBA Program with the University of Louisville

b. Will this course be a new requirement for ANY program?: No

If YES, list affected programs:

10. Information to be Placed on Syllabus.

a. Is the course 400G or 500?: No

b. The syllabus, including course description, student learning outcomes, and grading policies (and 400G-/500-level grading differentiation if applicable, from 10.a above) are attached: No

Distance Learning Form

Instructor Name:

Instructor Email:

Internet/Web-based: No

Interactive Video: No

Hybrid: No

1.How does this course provide for timely and appropriate interaction between students and faculty and among students? Does the course syllabus conform to University Senate Syllabus Guidelines, specifically the Distance Learning Considerations?

2.How do you ensure that the experience for a DL student is comparable to that of a classroom-based student's experience? Aspects to explore: textbooks, course goals, assessment of student learning outcomes, etc.

3.How is the integrity of student work ensured? Please speak to aspects such as password-protected course portals, proctors for exams at interactive video sites; academic offense policy; etc.

4.Will offering this course via DL result in at least 25% or at least 50% (based on total credit hours required for completion) of a degree program being offered via any form of DL, as defined above?

If yes, which percentage, and which program(s)?

5.How are students taking the course via DL assured of equivalent access to student services, similar to that of a student taking the class in a traditional classroom setting?

6.How do course requirements ensure that students make appropriate use of learning resources?

7.Please explain specifically how access is provided to laboratories, facilities, and equipment appropriate to the course or program.

8.How are students informed of procedures for resolving technical complaints? Does the syllabus list the entities available to offer technical help with the delivery and/or receipt of the course, such as the Information Technology Customer Service Center (<http://www.uky.edu/UKIT/>)?

9.Will the course be delivered via services available through the Distance Learning Program (DLP) and the Academic Technology Group (ATL)? NO

If no, explain how student enrolled in DL courses are able to use the technology employed, as well as how students will be provided with assistance in using said technology.

10.Does the syllabus contain all the required components? NO

11.I, the instructor of record, have read and understood all of the university-level statements regarding DL.

Instructor Name:

SIGNATURE|ZNNIKO0|Roshan N Nikou|EMBA 609 NEW Graduate Council Review|20140107

SIGNATURE|MKT210|Steven J Skinner|EMBA 609 NEW College Review|20131125

EMBA 609

Financial Management I

Professor:

Office:

Office Hours:

Phone:

E-mail:

Course Description

The goal of this course is to provide an overview of modern corporate financial methods with an emphasis on practical financial decisions that financial managers in the real world need to make on a regular basis. We will emphasize the investment decision (how firms should spend money). Topics on the investment decision will include measuring value, pricing bonds and stocks, the relation between risk and return, efficient markets, and capital budgeting. This course takes the perspective of a corporate financial manager attempting to pursue strategies that increase shareholder wealth.

Course Format

This course will be a mix of traditional lecture material and some case discussion. The cases are meant to illustrate and amplify the lecture material. There are no assignments for the cases. In addition, I list at the end of this syllabus discussion questions for the cases. Please have read the case and to have thought about the discussion questions in advance of our class session. I will lecture from slides that will be posted on the web site. The lecture slides will be in a standard format (Powerpoint, Word, or PDF). During lectures I encourage student participation.

Course Materials

Textbook: Corporate Finance, by Stephen Ross, Randolph Westerfield, and Jeffrey Jaffe, McGraw-Hill/Irwin, Any Edition.

Cases: Information on the case packet can be found on the course website on blackboard.

Financial Calculator: Based on considerations of reliability, functions, and ease of use, I will be using the **TI BAI Plus PROFESSIONAL**.

Learning Objectives

The student will be able to

1. analyze financial statements.
2. calculate the NPV and IRR of capital projects.
3. describe how the interests of shareholder, bondholders and manager affect the capital budgeting decision.
4. discount coupons and face value to determine bond prices.
5. describe bond characteristics such as callable and convertible features.
6. apply the dividend discount model to value stocks.

Quizzes

There will be three quizzes during the semester. The purpose of the quiz is to convince both you and I that the current material has been mastered before moving on to new and usually more complex and challenging techniques. The quizzes will be closed note and will be similar in nature to problems we have addressed in class.

Exams

The exam will be closed-book. I will allow you to use a single-sided 8.5 inch by 11 inch sheet of notes and formulas (hand written or computer generated) when taking the exams. You are permitted the use of a calculator. I will make sure that exam questions do not require cumbersome calculations or the use of a sophisticated financial calculator. The exam will have a mix of conceptual questions and numerical questions. There will also be some questions related to our cases discussions. Some of the problems will be similar to the homework problems, although sometimes with an interesting twist. I will provide you with more details on the format of the exam as we get closer to exams.

Grading

Class Quizzes:	45%
Exam:	45%
Class participation:	10%

Grading Scale

A	90%-100%
B	80%-89.99%
C	70%-79.99%
E	<70%

Class Schedule

The following describes the class schedule. The topics covered on each proposed date may change depending on our pace.

Class	Units and Topics Covered	Textbook Reading (All in custom text)	Discussion topics & projects
Investment Decision			
	<ul style="list-style-type: none"> • Course Introduction • Financial Statements & Cashflow • Discounted Cashflow Valuation 	<ul style="list-style-type: none"> • Chapters 1, 2 & 4 	
	<ul style="list-style-type: none"> • Discounted Cashflow Valuation • Net Present Value & Other Investment Rules • Making Capital Investment Decisions 	<ul style="list-style-type: none"> • Chapters 4, 5 & 6 	
	<ul style="list-style-type: none"> • Making Capital Investment Decisions • Risk Analysis & Capital Budgeting 	<ul style="list-style-type: none"> • Chapters 6 & 7 	<ul style="list-style-type: none"> • <i>Eskimo Pie Case</i>
	<ul style="list-style-type: none"> • Bond Valuation • Stock Valuation 	<ul style="list-style-type: none"> • Chapters 8 & 9 	<ul style="list-style-type: none"> • <i>FPL Case</i>
	<ul style="list-style-type: none"> • Exam 		

Discussion Questions for Cases

We will not undertake any extensive case analyses in EMBA 609. The cases I will cover will essentially be extended examples. However, I do expect you to have read the cases in advance of class and to have thought at least briefly about the discussion question for the case.

Eskimo Case

You are an investment banker helping Eskimo management prepare an Initial Public Offering (IPO). Assume the following:

- (i) Eskimo pays out \$15 million in a special dividend immediately before the offering.
- (ii) Eskimo borrows \$4 million to help finance the special dividend. They maintain this level of borrowing indefinitely following the IPO. (Note – ignore any discussion of green shoe)
- (iii) All of the shares of Eskimo are sold to the public. The proceeds of the IPO are distributed to the current (pre-IPO) owners of Eskimo.

Estimate the market value of equity of Eskimo after the IPO using the Discounted Cash Flow method.

Using this estimate, what do you recommend as the asking price for the shares in the IPO?

FPL Case

Would you recommend that FPL change its dividend policy? What might the impact of a dividend cut be on the short-run and long-run stock price of FPL?

Course Policies

Submission of Assignments

Explicit instructions will be given when each assignment is handed out.

Attendance Policy

Given the nature of this program, it is hard to imagine that anyone would ever miss class except for a very good reason.

Makeup Policy

Makeup quizzes and exams will only be given if there is an excused absence. If it is possible, you must notify me before the quiz/exam date.

Excused Absences

Students need to notify the professor of absences prior to class when possible. S.R. 5.2.4.2 defines the following as acceptable reasons for excused absences: (a) serious illness, (b) illness or death of family member, (c) University-related trips, (d) major religious holidays, and (e) other circumstances found to fit “reasonable cause for nonattendance” by the professor.

Students anticipating an absence for a major religious holiday are responsible for notifying the instructor in writing of anticipated absences due to their observance of such holidays no later than the last day in the semester to add a class. Information regarding dates of major religious holidays may be obtained through the religious liaison, Mr. Jake Karnes (859-257-2754).

Students are expected to withdraw from the class if more than 20% of the classes scheduled for the semester are missed (excused or unexcused) per university policy.

Verification of Absences

Students may be asked to verify their absences in order for them to be considered excused. Senate Rule 5.2.4.2 states that faculty have the right to request “appropriate verification” when students claim an excused absence because of illness or death in the family. Appropriate notification of absences due to university-related trips is required prior to the absence.

Academic Integrity

Per university policy, students shall not plagiarize, cheat, or falsify or misuse academic records. Students are expected to adhere to University policy on cheating and plagiarism in all courses. The minimum penalty for a first offense is a zero on the assignment on which the offense occurred. If the offense is considered severe or the student has other academic offenses on their record, more serious penalties, up to suspension from the university may be imposed.

Plagiarism and cheating are serious breaches of academic conduct. Each student is advised to become familiar with the various forms of academic dishonesty as explained in the Code of Student Rights and Responsibilities. Complete information can be found at the following website:

<http://www.uky.edu/Ombud>. A plea of ignorance is not acceptable as a defense against the charge of academic dishonesty. It is important that you review this information as all ideas borrowed from others need to be properly credited.

Part II of *Student Rights and Responsibilities* (available online <http://www.uky.edu/StudentAffairs/Code/part2.html>) states that all academic work, written or otherwise, submitted by students to their instructors or other academic supervisors, is expected to be the result of their own thought, research, or self-expression. In cases where students feel unsure about the question of plagiarism involving their own work, they are obliged to consult their instructors on the matter before submission.

When students submit work purporting to be their own, but which in any way borrows ideas, organization, wording or anything else from another source without appropriate acknowledgement of the fact, the students are guilty of plagiarism. Plagiarism includes reproducing someone else’s work, whether it be a published article, chapter of a book, a paper from a friend or some file, or something similar to this. Plagiarism also includes the practice of employing or allowing another person to alter or revise the work which a student submits as his/her own, whoever that other person may be.

Students may discuss assignments among themselves or with an instructor or tutor, but when the actual work is done, it must be done by the student, and the student alone. When a student’s assignment involves research in outside sources of information, the student must carefully acknowledge exactly what, where and how he/she employed them. If the words of someone else are used, the student must put quotation marks around the passage in question and add an appropriate indication of its origin. Making simple changes while leaving the organization, content and phraseology intact is plagiaristic. However, nothing in these Rules shall apply to those ideas which are so generally and freely circulated as to be a part of the public domain (Section 6.3.1).

Please note: Any assignment you turn in may be submitted to an electronic database to check for plagiarism.

Accommodations Due to Disability

EMBA 609: Financial Management I

If you have a documented disability that requires academic accommodations, please see me as soon as possible during scheduled office hours. In order to receive accommodations in this course, you must provide me with a Letter of Accommodation from the Disability Resource Center (Room 2, Alumni Gym, 257-2754, email address: jkarnes@email.uky.edu) for coordination of campus disability services available to students with disabilities.