

## Fall 2023

<b>Meeting days:</b> MON/WED	<b>Professor:</b> Dan Bothe
<b>Meeting time:</b> 1:25pm – 2:40pm	<b>Cell Phone:</b> 858-204-3866
<b>Meeting location:</b> FSB 104	<b>E-mail:</b> dbothe@pointloma.edu
<b>Office location:</b> FSB 125	<b>Office Hours:</b> By Appointment

### PLNU Mission

#### To Teach ~ To Shape ~ To Send

Point Loma Nazarene University exists to provide higher education in a vital Christian community where minds are engaged and challenged, character is modeled and formed, and service is an expression of faith. Being of Wesleyan heritage, we strive to be a learning community where grace is foundational, truth is pursued, and holiness is a way of life.

### Fermanian School of Business Mission

#### Character – Professionalism – Excellence – Relationships – Commitment - Innovation

As members of a vital Christian community, we strive to provide high quality business programs that equip students to make a positive impact in their workplace and community by connecting purpose to practice.

### COURSE DESCRIPTION

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This course provides a study of the major decision-making areas of financial management at an intermediate level, including cost of capital, capital budgeting, dividend policy and forecasting. Advanced topics include business valuation, mergers and acquisitions, bankruptcy and reorganization, securities offerings and finance for emerging businesses. Case studies will be used to apply concepts to business situations.

### COURSE LEARNING OUTCOMES

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The following learning outcomes are aligned with the Fermanian School of Business Program Learning Outcomes. Upon successful completion of this course, students will be able to:

1. Exhibit an in-depth understanding of the major decision making areas of financial management, including: risk and return, cost of capital, capital budgeting, dividend policy, capital structure, forecasting and working capital (PLO 1 & C1).
2. Exhibit an in-depth understanding of advanced financial management topics, including: business valuation, mergers & acquisition, bankruptcy, and securities offerings (PLO C1).
3. Apply financial management knowledge and tools in the valuation of a business (PLO 2 & C2).
4. Apply financial planning, cost of capital and capital budgeting analysis to complex business situations, and evaluate decisions regarding such situations (PLO 2).
5. Formulate finance decisions and positions based upon ethical values (PLO 4).

### COURSE CREDIT HOUR INFORMATION

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In the interest of providing sufficient time to accomplish the stated Course Learning Outcomes, this class meets the PLNU credit hour policy for a 3-unit class delivered over 15 weeks. Specific details about how the class meets the credit hour requirement can be provided upon request.

## REQUIRED TEXT AND RESOURCES

1. **Text:** Brigham & Daves, Intermediate Financial Management, 11th edition, South-Western Cengage Learning, 2013. ISBN 9781111530259.
2. **Cases/Readings:** Four (4) Harvard Business Review (HBR) cases and One (1) HBR Reading – See Canvas.
3. **Resources:** Personal Computer with Microsoft Excel (Google Sheets and Apple Numbers CANNOT be substituted for Excel as they do not have the required functionality).

## COURSE SCHEDULE AND ASSIGNMENTS

*Tentative Schedule (subject to change as needed - Check your PLNU e-mail and Canvas daily):*

Class	Date	Homework/Case Review	Lecture/Discussion	Exam
1	8/28		Course Introduction	
2	8/30		Ch 1 – Financial Management Overview	
	<b>9/4</b>	<b>NO CLASS</b>	<b>Labor Day</b>	
3	9/6		CH 2 & 3 Risk & Return I & II	
4	9/11	Ch 3 HW – Risk & Return II	CH 9 – Financial Planning & Forecasting	
5	9/13	CH 9 HW – Financial Planning & Forecasting	CH 10 – Cost of Capital	
6	9/18	Case #1 – Financial Planning & Forecasting		
7	9/20		CH 10 – Cost of Capital	
8	9/25	CH 10 HW – Cost of Capital	CH 10 – Cost of Capital (Case Prep)	
9	9/27	Case #2 – Cost of Capital		
10	10/2		Exam #1 Review Session	
<b>11</b>	<b>10/4</b>			<b>Exam #1 (1-3, 9-10)</b>
12	10/9		CH 12 & 13 – Capital Budgeting I & II	
13	10/11	CH 12 HW & CH 13 HW – Capital Budgeting I & II		
14	10/16	Case #3 – Capital Budgeting	CH 13 – Capital Budgeting III	
15	10/18	CH 15/16 HW – Capital Structure	CH 15/16 – Capital Structure	
16	10/23		CH 11 – Business Valuation	
17	10/25	CH 11 HW – Business Valuation	CH 11 – Business Valuation (Case Prep)	
18	10/30	Case #4 – Business Valuation		
19	11/1	CH 17 HW Dividends & Repurchases	CH 17 Dividends & Repurchases	
20	11/6		Exam #2 Review Session	
<b>21</b>	<b>11/8</b>			<b>Exam #2 (11-13, 15-17)</b>
22	11/13		CH 21 & 22 – Working Capital Mgt I & II	
23	11/15	CH 21 HW & 22 HW – Working Capital Mgt I & II		
24	11/20		CH 18 – Public vs Private & Invest. Banking	
	<b>11/22</b>	<b>NO CLASS</b>	<b>Thanksgiving Break</b>	
25	11/27		CH 26 – Mergers CH 25 – Bankruptcy, Reorg. & Liquidation	
26	11/29	CH 25 HW – Bankruptcy, Reorg & Liquidation	HBR Reading – Finance for Emerging Cos.	
27	12/4		Finance Ethics Debate	
28	12/6		Final Exam Review Session	
<b>29</b>	<b>12/11</b> 1:30- 4:00pm			<b>Final Exam (Comprehensive)</b>

## CLASS ACTIVITIES (ASSESSMENT AND GRADING)

### Graded Events and Grading Scale:

<u>Graded Event:</u>	<u>Points</u>	<u>Final Grade Scale:</u>	
✓ <b>Qualitative Questions (10 x 6 pts ea)</b>	<b>60</b>	A = 93 - 100%	930-1000 points
✓ <b>Quantitative Homework (10 x 14 pts ea)</b>	<b>140</b>	A- = 90 - <93%	900-929 points
✓ <b>Case Study Summaries (4 x 20 pts ea)</b>	<b>80</b>	B+ = 87 - <90%	870-899 points
✓ <b>Finance Ethics Paper/Debate (Parts 1&amp;2)</b>	<b>20</b>	B = 83 - <87%	830-869 points
✓ <b>Class Participation/Attendance</b>	<b>75</b>	B- = 80 - <83%	800-829 points
✓ <b>Mid Term Exams (2 x 200 pts ea)</b>	<b>400</b>	C+ = 77 - <80%	770-799 points
✓ <b>Final Exam</b>	<b>225</b>	C = 73 - <77%	730-769 points
		C- = 70 - <73%	700-729 points
		D+ = 67 - <70%	670-699 points
		D = 60 - <67%	600-669 points
		F = 0 - <60%	0-599 points
<b>Total Possible Points for the Course:</b>	<b>1000</b>		

**Qualitative Questions:** Each of the approximately eleven (11) Qualitative Question assignments will consist of each student answering one Qualitative Question relating to a particular chapter or chapters of the textbook and respond to two answers from the same assignment based upon the Assigned Answers and Responses matrix provided in Canvas (for each Qualitative Question assignment). Each answer should be based upon the corresponding chapter reading, lecture, and other knowledge each student may have. For each Response, students are to provide additional insight to their classmate's original Answer based upon what has been learned from the assigned reading, lecture and homework for the corresponding chapter. All Qualitative Question Answers and Responses are to be completed directly in Canvas.

**Quantitative Homework:** Each of the approximately eleven (11) Homework assignments will primarily consist of problems for certain chapters and will be assigned (via Canvas) for each class period approximately 7 days prior to the due date of such assignments. **All homework assignments must be turned in (via Canvas) no later than 1:25 pm on the date such homework assignment is due. Late homework will not be accepted** as we will review all assignments in class the day they are due. **You must complete all assignments or risk losing approximately 14 points or 1.4% of your grade for each missed assignment.** Submit only your own original work for homework. While working together on homework assignments is encouraged, you cannot share homework (Microsoft Excel) files, or you will receive a zero (0) for such assignment. Homework must be **prepared using Microsoft Excel** and submitted through Canvas. Homework must include all work and supporting calculations for partial or full credit.

**Case Study Summaries:** Each of the four (4) Case Study Summaries for each assigned case are to be prepared based upon questions relating to such cases provided by the instructor. The specific case assignments and related questions, as well as the due date/time for each case summary will be posted via Canvas. Case summaries are to be 2 to 3 pages (APA format) in length plus any necessary supporting analysis and calculations. All supporting analysis and calculations must be prepared in Microsoft Excel. **Late Case Study Summaries will not be accepted** as we will discuss all cases in class the day case summaries are due. Submit only your own original work for case summaries. All case summaries should be based upon facts in the case. Should you include any other information outside of the facts contained in the case, the source must be cited. A thorough reading and analysis of each case is required to prepare the case summaries and to prepare you for your required contribution to case discussions that will occur for each case during class. **Your points (grade) assigned per case will be based upon both your (1) contribution in the case class discussion, and your (2) written Case Study Summary.** Case Study Summaries must be submitted through Canvas.

**Finance Ethics Paper and Debate:** A two-part Finance Ethics Paper will be prepared based upon a specific finance ethics topic and related readings assigned by the instructor. A class debate relating to the paper will be conducted in class. More specific details regarding the Paper and Debate will be provided prior to the due date.

**Class Participation / Attendance:** The success of the course will be impacted by the quality of daily participation. Class participation will be based upon your contributions to discussions, including input or questions regarding the readings, discussion questions, case-studies and homework. In addition, you should be prepared to answer questions, and participate in group activities and other in-class assignments as they may arise. Class participation will also be based upon your attendance – please see class policy regarding attendance below.

**Exams:** Every student is to be present for each of the two (2) mid-term exams and the final exam at the scheduled times. Students should not share their Excel files with other students as each student must create their own spreadsheets. If it is determined that a student used AI assisted websites or tools (such as ChatGPT) on an exam, they will receive a zero for the exam. **No makeup exams will be given without PRIOR permission.** I will provide a makeup exam only for absences officially excused by the university provost or for emergencies completely beyond a student's control, such as a documented illness or injury. You must coordinate any conflict with one of these exams with me as soon as you discover it, preferably not later than 48 hours prior to the exam. Please note that successful completion of this class requires taking the final examination **on its scheduled day.** The final examination date and time is posted in the PLNU Portal and on this syllabus. No requests for early examinations or alternative days will be approved.

## CLASS POLICIES

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**Professionalism:** Students are expected to hold the highest levels of professionalism including integrity and honesty, respectfulness, punctuality and mature leadership. Exemplary behavior is expected in the classroom.

**Attendance and Participation Policy:** Regular and punctual attendance at all class sessions is considered essential to optimum academic achievement. If the student is absent for more than 10 percent of class sessions, the faculty member will issue a written warning of de-enrollment. If the absences exceed 20 percent, the student may be de-enrolled without notice until the university withdrawal date or, after that date, receive an "F" grade. Leaving early or arriving late for class sessions counts as a partial absence. For example, arriving late by 1-15 minutes will be treated as 1/3 absence. Additionally, PLNU counts all absences unexcused except for University sanctioned activities. All illnesses, emergencies, etc. (even with a doctor's note) are considered unexcused.

**Use of Technology:** In order to be successful in your course, you'll need to meet the minimum technology and system requirements; please refer to the [Technology and System Requirements](#) information. Additionally, students are required to have headphone speakers, microphone, or webcams compatible with their computer available to use for any online or hybrid classes. Please note that any course with online proctored exams require a computer with a camera (tablets are not compatible) to complete exams online. Problems with technology do not relieve you of the responsibility of participating, turning in your assignments, or completing your class work.

**Artificial Intelligence (AI) Policy:** You are allowed to use Artificial Intelligence (AI) tools (e.g, ChatGPT) to help structure homework problem solutions, but you are not allowed to use AI tools on any exams, case study summaries or the finance ethics paper. If you have any doubts about using AI, please gain permission from the instructor.

**PLNU Academic Honesty Policy:** Students should demonstrate academic honesty by doing original work and by giving appropriate credit to the ideas of others. Academic dishonesty is the act of presenting information, ideas, and/or concepts as one's own when in reality they are the results of another person's creativity and effort. A faculty member who believes a situation involving academic dishonesty has been detected may assign a failing grade for that assignment or examination, or, depending on the seriousness of the offense, for the course. Faculty should follow and students may appeal using the procedure in the university Catalog. See [Academic Policies](#) for definitions of kinds of academic dishonesty and for further policy information.

**Dropping the Course:** It is the student's responsibility to maintain his/her class schedule. Should the need arise to drop this course (personal emergencies, poor performance, etc.), the student has the responsibility to follow through (provided the drop date meets the stated calendar deadline established by the university), not the instructor. Simply ceasing to attend this course or failing to follow through to arrange for a change of registration (drop/add) may result in a grade F on the official transcript.

**PLNU Academic Accommodations Policy:** PLNU is committed to providing equal opportunity for participation in all its programs, services, and activities. Students with disabilities may request course-related accommodations by contacting the EAC, located in the Bond Academic Center ([EAC@pointloma.edu](mailto:EAC@pointloma.edu) or 619-849-2486). Once a student's eligibility for an accommodation has been determined, the EAC will issue an academic accommodation plan ("AP") to all faculty who teach courses in which the student is enrolled each semester. PLNU highly recommends that students speak with their professors during the first two weeks of each semester/term about the implementation of their AP in that particular course and/or if they do not wish to utilize some or all of the elements of their AP in that course. Students who need accommodations for a disability should contact the EAC as early as possible (i.e., ideally before the beginning of the semester) to assure appropriate accommodations can be provided. It is the student's responsibility to make the first contact with the EAC.

**Schedule and Other Changes:** The information in this syllabus is subject to change. Any such changes will be announced in class and/or communicated via Canvas or email.

**Canvas and Email:** Assignments, announcements, changes to this syllabus and other communication from the instructor, from time to time, may be made via Canvas or email.

**Mobile Phones and Other Mobile Devices:** The use of mobile phones, including phone calls, texting or other purposes, is not allowed in the classroom during class meetings or examinations. Please keep mobile phones turned-off and out of sight. The classroom use of PC's/tablets should only be for class-related work and not for social media or any other non-class purposes.

**Video or audio recording during class:** No video or audio recording of the instructor or guest speakers is allowed in class under any circumstances without the explicit written permission of the instructor and/or guest speaker.

**FERPA Policy:** In compliance with federal law, neither PLNU student ID nor social security number should be used in publicly posted grades or returned sets of assignments without student written permission. This class will meet the federal requirements by distributing all grades and papers individually. Also, in compliance with FERPA, you will be the only person given information about your progress in this class unless you have designated others to receive it in the "Information Release" section of the student portal. See [Policy Statements](#) in the (undergrad/ graduate as appropriate) academic catalog.

**Final Examination Policy:** Successful completion of this class requires taking the final examination **on its scheduled day**. The final examination schedule is posted on the [Class Schedules](#) site. If you find yourself scheduled for three (3) or more final examinations on the same day, you are authorized to contact each professor to arrange a different time for one of those exams. However, unless you have three (3) or more exams on the same day, no requests for alternative final examinations will be granted.

**PLNU Copyright Policy:** Point Loma Nazarene University, as a non-profit educational institution, is entitled by law to use materials protected by the US Copyright Act for classroom education. Any use of those materials outside the class may violate the law.