**FINC 3333**  
Intermediate Financial Management  
Fall 2013

**Meeting time and place:** T 7:00PM – 9:50PM, Bayou 1313

**Instructor:** Ivelina A. Pavlova, PhD

**Office:** Bayou 3121.30

**Phone Number:** 281.283.3208

**Email:** pavlova@uhcl.edu

**Office Hours:** T 3:00 – 7:00 PM, TH 10:00 AM to 12 PM and by appointment.

**PREREQUISITES:** FINC 3331 or its equivalent

**REQUIRED MATERIALS:**


*Financial Calculator.* A Financial Calculator is ESSENTIAL for this course. TI BA II PLUS will be used in class. No programmable calculators will be allowed during exams.

**RECOMMENDED READING:**

*The Wall Street Journal.* The WSJ is an integral component of a lifelong pattern of professional reading. We will be discussing significant financial events as they occur.

**APPLIED CRITICAL THINKING STATEMENT:** This course has been authorized by UHCL as an Applied Critical Thinking (ACT) Course which means that in addition to learning about the specified course content, students will be engaged with some or all of the Elements of Thought and Universal Intellectual Standards of critical thinking. The objective of an ACT course is to develop the student’s ability to become skilled at analysis and evaluation by applying a set of intellectual tools that may be effectively used across all disciplines (as well as to the
student’s personal life). Based on the Foundation for Critical Thinking (http://www.criticalthinking.org/), critical thinking involves thinking for a purpose, asking questions, using information, applying concepts, drawing inferences and conclusions, identifying assumptions, anticipating implications and consequences, and recognizing points of view. The Universal Intellectual Standards that are applied to these Elements of Thought of critical thinking in order to develop Intellectual Traits include clarity, accuracy, precision, relevance, depth, breadth, logic, significance, and fairness.

**ELEMENTS OF THOUGHT**

1. **Purpose** – goals, objectives
2. **Question at Issue** – problem, issue
3. **Information** – data, facts, reasons, observations, experiences, evidence
4. **Interpretation and Inference** – conclusions, solutions
5. **Concepts** – theories, definitions, laws, principles, models
6. **Assumptions** – presuppositions, axioms, taking for granted
7. **Implications and Consequences**
8. **Point of View** – frames of reference, perspectives, orientations

*Source: Richard Paul and Linda Elder, Center for Critical Thinking and Foundation for Critical Thinking.

**COURSE DESCRIPTION:** This course develops advanced tools and techniques of financial management including cost of capital, capital budgeting and corporate valuation. The course also covers topics such as dividend policy, capital structure and financial options.

The focus of the course is corporate valuation and the central question is “What determines the value of the firm?” Critical thinking is an integral part of the valuation process. In particular, financial managers face the following questions: What is the goal of management? What are the factors that impact the value of the firm and some issues associated with them? How do we get data to estimate the value of the firm? What are the implications of the estimated intrinsic value? What are some of the theories on distributions and capital structure and how their choice affects the value of the firm? How do we determine the value of derivatives and how are they used?

**LEARNING OUTCOMES:**

1. Students will be able to recall and apply specific knowledge regarding valuation principles used in the financial management of corporations. Students will develop clear understanding of the objectives of corporate valuation.
2. Students will be able to explain and apply relevant concepts regarding risk and return principles used in the financial management of corporations.
3. Students will be able to apply specific knowledge regarding the use of options in financial management.
4. Students will be able to evaluate and apply specific knowledge regarding the capital budgeting process used in the financial management of corporations. Students will be able to interpret the results of capital budgeting criteria using logic and depth.
5. Students will be able to apply and clearly interpret specific theories regarding the capital structure of corporations.
COURSE FORMAT: The course will consist primarily of discussions, lectures, and problem solving. Students are encouraged to work as many problems at the end of the chapter and so as to become familiar and proficient in applying the financial concepts discussed in class.

The lectures will be highly interactive and participation is required. Even though the class sessions will closely follow the selected chapters of the text, some topics may be omitted or supplemented. Sample exam questions will be discussed and solved in class as necessary. You will be expected to acquire most of the basic information from your readings as only the key concepts will be explained in class.

If a student is late or misses a class for any reason, it is his/her own responsibility to find out from their classmates what was covered in class and which problems were assigned for homework.

Blackboard Resources. A course shell for the class is supported in Blackboard and contains relevant course materials such as the syllabus, PowerPoint slides and solutions to selected end-of-the-chapter problems. All homework assignments need to be submitted in Blackboard.

COURSE EVALUATION: In class exams and homework assignments will be used to evaluate student performance.

EXAMS. Total of three exams will be given during the semester and the grade will be calculated from the all exam scores. Students are required to take all exams.

- The final exam will be comprehensive, i.e. will include questions on each point of the learning outcomes.
- Students are permitted the use of a non-programmable financial calculator. You are responsible for ensuring your calculator works and has spare batteries.
- There will be NO make-up exams during the semester under any circumstances. In case of an illness or accident, you will be given a make-up on the day of the final exam after providing documentation about your condition/accident.
- Formula Sheets will be provided.
- All exams are in class, closed books, and closed notes.
- Please indicate any (perceived) errors on the examination paper on your answer sheet.
- Please bring at least 2 sharpened pencils to each exam.
- All cellular phones are to be in the SILENT (no vibration) position during exams.

Critical Thinking Activities in Exams. There will be three critical thinking activities which will be graded in this course. These activities are SEE-I writing components.

The Student Learning Outcomes addressed by these activities are:

1. Students will be able to recall and apply specific knowledge regarding valuation principles used in the financial management of corporations. Students will develop clear understanding of the objectives of corporate valuation.
2. Students will be able to explain and apply relevant concepts regarding risk and return principles used in the financial management of corporations.

3. Students will be able to apply and clearly interpret specific theories regarding the capital structure of corporations.

SEE-I includes the following steps:
- **State:** Summarize the concept or approach in your own words.
- **Elaborate:** Paraphrase the previous statement starting with "In other words ..." and provide more details.
- **Exemplify:** Give an example on how the concept/approach is used in practice.
- **Illustrate:** Give an example comparing the concept to something similar from another area.

During class we will identify the fundamental concepts in each chapter and then students will practice SEE-I for each concept. The exam SEE-I component will build upon the class exercises. The SEE-I exam component will be graded based on the Elements of Thought: concepts/theories and interpretation. The SEE-Is will also be graded in terms of the Intellectual Standards: clarity and relevance. The maximum total points are 10 points per SEE-I * 3 exams = 30 points. For critical thinking assessment purposes scores of 21 to 30 will be considered excellent, 11 to 20 acceptable and 1 to 10 insufficient.

4 C’s of Critical Thinking. The UHCL Quality Enhancement Plan (QEP) endorsed by the university accrediting body is a plan to promote applied critical thinking (ACT) for lifelong learning and adaptability. In particular, the key learning outcomes of the UHCL applied critical thinking plan involve 4 C’s: Curiosity, Connections, Creativity, and Communication. In this course, we will focus on one of these four C’s: Connections.

**EXCEL ASSIGNMENTS.** Three Excel assignments will be given out during the semester for a total of 102 points (34 points each). The Excel assignments will be given on the dates specified in the course schedule as well and will be due in one week (by the next class meeting). All assignments need to be submitted in the course shell in Blackboard. The topics of the three Excel assignments are bond valuation, corporate forecasting and valuation, and capital budgeting.

**Attendance and participation.** Regular attendance and participation are essential for success. Attendance is mandatory and will be taken during each class meeting.

All assigned materials should be carefully read and end-of-chapter exercises recommended by the professor should be attempted before each class meeting.

**Professional Behavior Guidelines.** If you arrive late for class, try not to disturb the concentration of your classmates. Side conversations during class make it difficult for the rest of the students to focus and learn. Falling asleep, sending text messages and surfing the internet on your cell phone during class is not considered professional behavior. Email messages to the instructor and discussion forum postings in Blackboard should be written in a professional manner, using proper spelling, grammar and punctuation, with a greeting and a signature line.
Course Grade Determination.

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<thead>
<tr>
<th>Course Requirements</th>
<th>Weights</th>
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<tbody>
<tr>
<td>Exam 1</td>
<td>30%</td>
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<tr>
<td>Exam 2</td>
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<td>Final exam</td>
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<td>Excel Assignments</td>
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<td><strong>Total</strong></td>
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<td>80-82</td>
<td>D+</td>
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<td>C+</td>
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<td>87-89</td>
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<td>73-76</td>
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<td>83-86</td>
<td>C-</td>
<td>70-72</td>
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**ASSESSMENT:** The School of Business may use assessment tools in this course and other courses for curriculum evaluation. Educational Assessment is defined as the systematic collection, interpretation, and use of information about student characteristics, education environments, learning outcomes and client satisfaction to improve program effectiveness, student performance and professional success.

This assessment will be related to the learning objectives for each course and individual student performance will be disaggregated relative to these objectives. This disaggregated analysis will not impact student grades, but will provide faculty with detailed information that will be used to improve courses, curriculum, and student’s performance.

**ACADEMIC HONESTY**
The Academic Honesty Policy at UHCL (found on pages 77-80 of the 2008-2009 catalog) states: "Academic honesty is the cornerstone of the academic integrity of the university. It is the foundation upon which the student builds personal integrity and establishes a standard of personal behavior."

The Honesty Code of UHCL states: "I will be honest in all my academic activities and will not tolerate dishonesty."

Because honesty and integrity are such important factors, you should be aware that failure to perform within the bounds of these ethical standards is sufficient grounds to receive a grade of "F" in this course and be recommended for suspension from UHCL.

**DISABILITY SERVICES**
The University of Houston System complies with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, pertaining to the provision of reasonable academic adjustments/auxiliary aids for students with a disability. In accordance with Section 504 and ADA guidelines, each University within the System strives to provide reasonable...
academic adjustments/auxiliary aids to students who request and require them. If you believe that you have a disability requiring an academic adjustments/auxiliary aid, please contact your University’s student disability services center.

Any individual with a disability who requires a special accommodation should inform the professor and contact the Disability Services office, Student Services/ Classroom Building, Room 1.301, or call (281) 283-2626.

**STUDENT LIFE POLICIES**
The Student Life Policies can be found by going to [http://www.uhcl.edu/studentservices](http://www.uhcl.edu/studentservices) and selecting “Student Life Policies”.

**6 DROP RULE:** Students who entered college for the first time in Fall 2007 or later should be aware of the course drop limitation imposed by the Texas Legislature. Dropping this or any other course between the first day of class and the census date for the semester/session does not affect your 6 drop rule count. Dropping a course between the census date and the last day to drop a class for the semester/session will count as one of your 6 permitted drops. You should take this into consideration before dropping this or any other course. Visit [www.uhcl.edu/records](http://www.uhcl.edu/records) for more information on the 6 drop rule and the census date information for the semester/session.

**WITHDRAW DATE:** The last day to drop a course or withdraw without a grade penalty is **11/11/2013.**
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<thead>
<tr>
<th>Date</th>
<th>Chapters Covered</th>
<th>Assignments</th>
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<tr>
<td>08/27/13</td>
<td>Syllabus and Chapter 1, Chapter 28 Time Value of Money</td>
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<tr>
<td>09/03/13</td>
<td>Chapter 2 Risk and Return</td>
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<td>Chapter 4 Bond Valuation</td>
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<td>Chapter 5 Stock Valuation and Exam Review</td>
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<td>Chapter 9 Forecasting Financial Statements</td>
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<td>Chapter 13 Capital Budgeting: Estimating Cash Flows</td>
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<td>Chapter 15 Capital Structure</td>
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<td>Chapter 17 Distributions to Shareholders</td>
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