Managerial Finance I  
FRL 300.05  
Course Syllabus – Winter 2010  
Finance, Real Estate and Law Department  
California State Polytechnic University, Pomona

Instructor:  
Professor Wei Yu, Ph.D.

Class Hours:  
Monday, Wednesday 1:30 pm – 2:45 pm

Class Location:  
Building 66, Room 201

Office:  
Building 66, Room 226

Office Hours:  
Monday, Wednesday 12:30 – 1:30 pm, Tuesday 1:00 – 4:00 pm, or by appointment

Phone:  
909-869-2402

Email Address:  
weiyu@csupomona.edu

Course Website:  
https://bbpilot.csupomona.edu/

Course Description

FRL 300, Managerial Finance I (3 units)  
This course is the first of the two-course sequence in finance for College of Business Administration majors. Topics include the role of a financial manager in business firm, the operation of financial markets and the determinants of interest rates, the principles of the time value of money, present and future values, rates of return, effective interest rates, techniques of bond valuation, the effects of interest rate changes on bond prices, techniques of stock valuation, and the tools of and relevant cash flows for capital budgeting.

Course Materials


2. Required Calculator: Texas Instrument BA-II Plus (preferred) or HP12C financial calculator

3. Optional (not required): Wall Street Journal

4. Access to a personal computer with spreadsheet software package

Required Background or Experience

Understanding of all topics in ACC 204, ACC 205, or ACC 207, and EC 201 and knowledge of algebra, good comprehension of written and spoken English, and knowledge of computer spreadsheet analysis.

A. Prerequisite:

ACC 204 and ACC 205 or ACC 207, EC 201, and microcomputer proficiency.
B. **Prerequisite Justification:**
Mastery of the principles and methods of managerial finance sequence requires knowledge of the principles and methods of financial statement construction and basic principles of micro- and macroeconomics. Modern financial analysis also requires the ability to utilize a variety of computer software programs.

C. **General Education Contribution**
The communication skills and analytical skills learned in English and mathematics courses greatly enhance the students' ability to understand the concepts and apply the techniques of financial management introduced in this course. Good comprehension of written and spoken English and competency in college level algebra are essential for good performance in this course.

**Course Objectives**

The objective of this course is to gain knowledge and acquire skills related to financial decision making in a business firm. Upon completion of this course, students should have a basic knowledge of the following:

- Interpret balance sheets, income statements, and statements of cash flows,
- Apply compounding and discounting techniques to calculate present and future values of money and rates of return,
- Explain basic loan patterns and calculate the payments for different types of loans,
- Describe the main features of bonds, and estimate the value of bonds,
- Describe the main features of stocks, and estimate the value of stocks,
- Assess the impacts of changes in the economic environment on investment values and financial decisions,
- Compute the financial performance measures, especially payback, the internal rate of return, and the net present value,
- Explain the strengths and weaknesses of each financial performance measure, and explain why the net present value is generally the best decision criterion,

**Grades**

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Homework and Class Participation</td>
<td>15%</td>
</tr>
<tr>
<td>Midterm Exam 1</td>
<td>25%</td>
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<tr>
<td>Midterm Exam 2</td>
<td>25%</td>
</tr>
<tr>
<td>Final Exam (Cumulative)</td>
<td>35%</td>
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**Class Participation**

It is expected that students will attend all classes and be prepared to discuss the subject matter assigned. Leaving early or coming in late will count as an absence. Participation includes attendance and speaking in class during the discussion.

**Exams**
Exam questions are based on all material presented in class and/or assigned during the defined scope of the exam. There is no excused absence from a scheduled examination. Therefore, a scheduled and pre-announced exam which is missed will not be made up, and a grade of F will be recorded, with the limited exception of cases in which the absence is wholly involuntary and unavoidable, and the reason for which is documented by evidence which can be verified by the instructor. Practically speaking, such cases normally include only illness attended by physician or nurse, and unavoidable absence on official University business. Not included would be absence due to "oversleeping", "not ready for the exam", "other exams the same day", "change in outside schedule", "job interview", "extra curricular club or organization events", "car wouldn’t start", etc.

**Cell Phones:**

All cell phones are prohibited during exams. You may have cell phones in class when exams are not given, but they must be on mute and not answered until the end of class.

**Student Access:**

Students with disabilities are encouraged to contact me privately or the Disability Resource Center (909-869-3333, Building 9 Room 103) to coordinate course accommodations.

**Academic Integrity**

Violations of academic integrity include, but are not limited to, the following:

- Cheating on an examination – using unauthorized cheat sheets, copying from another, looking at another student’s exam, opening books, obtaining advance copies of exams and having an exam re-graded after making changes.

- Plagiarism – plagiarism is intentionally or knowingly presenting words, ideas or work of others as one’s own work. Plagiarism includes copying homework or any other work that is not one’s own. It also includes using work completed in a previous class for credit in another class.

- Use of unauthorized study aids such as cell phones and any other such violations will be dealt with severely by the instructor, the associate dean and the standard committee.
<table>
<thead>
<tr>
<th>Lecture #</th>
<th>Dates</th>
<th>Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Class</td>
<td>Monday: January 4</td>
<td>Instructor needs to present a research paper at a national conference. Class cancelled.</td>
</tr>
</tbody>
</table>
| Lecture 1 | Wednesday: January 6 | Syllabus  
Tutorial: Homework Manager  
Chapter 1: Introduction to Corporate Finance |
| Lecture 2 | Monday: January 11 | Chapter 5: Introduction to Valuation: The Time Value of Money |
| Lecture 3 | Wednesday: January 13 | Chapter 5: Introduction to Valuation: The Time Value of Money  
Chapter 6: Discounted Cash Flow Valuation |
<p>| Holiday   | Monday: January 18 | Martin Luther King Jr. Day, NO CLASS |
| Lecture 4 | Wednesday: January 20 | Chapter 6: Discounted Cash Flow Valuation |
| Lecture 5 | Monday: January 25 | Chapter 6: Discounted Cash Flow Valuation |
| Midterm 1 | Wednesday: January 27 | Midterm Exam 1 (Chapter 1, 5 and 6) |
| Lecture 6 | Monday: February 1 | Chapter 7: Interest Rates and Bond Valuation |
| Lecture 7 | Wednesday: February 3 | Chapter 7: Interest Rates and Bond Valuation |
| Lecture 8 | Monday: February 8 | Chapter 7: Interest Rates and Bond Valuation |
| Lecture 9 | Wednesday: February 10 | Chapter 8: Stock Valuation |</p>
<table>
<thead>
<tr>
<th>Holiday</th>
<th>Monday:</th>
<th>February 15</th>
<th>Presidents’ Day, no class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lecture 10</td>
<td>Wednesday:</td>
<td>February 17</td>
<td>Chapter 8: Stock Valuation</td>
</tr>
<tr>
<td>Lecture 11</td>
<td>Monday:</td>
<td>February 22</td>
<td>Chapter 9: Net Present Value and Other Investment Criteria</td>
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<tr>
<td>Lecture 12</td>
<td>Wednesday:</td>
<td>February 24</td>
<td>Chapter 9: Net Present Value and Other Investment Criteria</td>
</tr>
<tr>
<td>Midterm 2</td>
<td>Monday:</td>
<td>March 1</td>
<td>Midterm Exam 2 (Chapter 7, 8 and 9)</td>
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<tr>
<td>Lecture 13</td>
<td>Wednesday:</td>
<td>March 3</td>
<td>Chapter 2: Financial Statements, Taxes, and Cash Flow</td>
</tr>
<tr>
<td>Lecture 14</td>
<td>Monday:</td>
<td>March 8</td>
<td>Chapter 10: Making Capital Investment Decisions</td>
</tr>
<tr>
<td>Lecture 15</td>
<td>Wednesday:</td>
<td>March 10</td>
<td>Chapter 10: Making Capital Investment Decisions</td>
</tr>
<tr>
<td>Common Final Exam</td>
<td>Date and Time to be Announced</td>
<td>Chapter 5, 6, 7, 8, 9 and 10</td>
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