**Course Syllabus**

**Finance 6020 – Analysis for Financial Management**

**Summer 2023 MD/MBA Program**

# **Professor** Bill Reese

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Office Hours: By Appointment

**Text** *Corporate Finance* By Ross, Westerfield, Jaffe and Jordan

13th Edition

While I strongly encourage you to purchase the 13th edition of the text, and you are responsible for the material in that edition, ultimately, the choice of which edition to purchase and indeed whether to purchase a text or not is up to each student.

**Prerequisites** None

**Grading** Midterm Exam 25%

Final Exam 50%

Quizzes 20% (5% each)

Attendance 5%

The Final Exam will be cumulative, but will concentrate on the

more recently covered material. I plan to adhere to the Freeman School grading guidelines which recommend a class-GPA in the range of 3.00 – 3.33 for core graduate courses.

**Objectives**: The goal of this course is to provide you with a sound understanding of the theory of corporate finance. We will cover a wide range of topics, including the time value of money, stock and bond valuation, the calculation of cash flows for a project, capital budgeting, the relationship between risk and return, the theory of efficient markets, and the cost of capital. By the end of the course you will have been introduced to the basic tools used in analyzing the investment and financing decisions made within firms.

**Attendance** I think that it is important for you to attend class whenever possible. You will be responsible for anything covered in class, even if you are not in attendance that day. A lack of attention during class, or inappropriate use of a laptop or cellphone during class can have an impact on your attendance points.

**Calculators**

**and Excel** Calculators and/or Excel will be allowed for all quizzes and tests. A financial calculator that can solve for present value (PV), future value (FV),and internal rate of return (IRR) or a laptop computer with Excel is essential for some problems and is required for this course.

**Quizzes** On the class website, I have posted ten problems along with their solutions, for the material covered in chapters 4, 5-6, 8-9, and 10-11. I have also recorded videos in which I work through all 40 problems. I have scheduled four in-class quizzes. The quizzes will always be one of the ten problems (with some minor numerical changes) I have listed on the course website. Many of these problems were ones that I have asked on exams in previous years, so they are a good example of the level of difficulty you should expect on the midterm and final exams. I encourage you to discuss these problems with your classmates whenever possible, and work through them in groups. When we have an in-class quiz (there will be four of them), I will expect that you have already worked through the problem on your own, so you should be able to do it quickly and easily for the quiz. For the quizzes, you will be allowed to refer to the formula sheet that I will provide for you, and you will be allowed to use Excel (though you must start with a blank spreadsheet).

**Chapter**

**Problems** Your textbook has a number of problems at the end of each chapter. I have reviewed these problems, and have listed the ones I think will help you the most on our class website. I have also posted the solutions manual for these problems on the class website. I strongly encourage you to work through these problems before you begin to work on the potential quiz problems.

**Date Change** Our class which would normally be held on Monday June 12 will be held on Friday July 7 from 9 am until noon instead.

**Class Recordings** I will be recording each class through Zoom and posting the recording on Canvas the next day. This should help you you’re your review the material. Also, if you have to miss class for some reason, this will allow you to see what was covered. It is important to note, however, that in-class attendance is expected and is part of your grade. There will not be an opportunity to join the class remotely for any sessions. This is an in-person class.

**Syllabus** Please note that this syllabus is not a contract. It is a statement of expectations and information. I reserve the right to change anything in it at any time.

**Website** In addition to our Canvas site, I will be maintaining a website for this course at <https://breesefine6020.tulane.edu/>

This website will be available to you even after this course is finished and will contain the Class Notes, Excel Spreadsheets, Quiz Problems and Solutions, and links to other finance sites.

**Midterm Exam** Please note that the midterm exam will be a three-hour exam that will be in-class on June 21. You will have the entire three hours to complete the exam.

**Norms and**

**Expectations** This class will be conducted in full accordance with published Norms and Expectations for Students in Freeman Classes. Please review the Norms and Expectations in your program handbook.

**Academic Integrity** This class will be conducted in full accordance with Tulane’s policies about academic integrity including, but not limited to, the Unified Code of Graduate Student Academic Conduct (<http://tulane.edu/provost/upload/Unified_Code_of_GS_Academic_Conduct_11-14-07.pdf>) and the Tulane University Code of Student conduct (<http://studentconduct.tulane.edu>).

**Disabilities** Under the Americans with Disability Act and Section 504 of the Rehabilitation Act, if you have a disability, you may have the right to an accommodation; however, the right is contingent upon your taking certain steps. You should review the steps that you need to take, as well as Tulane’s policy concerning accommodations at <http://erc.tulane.edu/disability/index.html>. Any student with a disability, in need of course or examination accommodation, should request an accommodation through the University’s Goldman Office of Disability Services (ODS) located on the first floor of the Mechanical Engineering Building. At the beginning of the semester, please provide me with a copy of your approved ODS accommodation form. I am committed to working with ODS to ensure that I provide you with all approved accommodations. If you do not deliver the approved accommodation form to me, I will not know that ODS approved your accommodation and I will have no basis to provide those accommodations.

**Finance 6020**

Summer 2023

Tentative Schedule

|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Material to be Covered** | **Chapters to be Read** | **Quiz** |
| 5/31 | Introduction  Time Value of Money | Chapters 1 and 4 |  |
| 6/2  **Friday** | Time Value of Money |  |  |
| 6/5 | Bonds | Chapter 8 |  |
| 6/7 | Bonds  Inflation | Chapter 9 | Chapter 4 |
| 6/12 | No Class |  |  |
| 6/14 | Stock |  |  |
| 6/16  **Friday** | Financial Statements  Financial Ratios | Chapters 2-3 | Chapters 8-9 |
| 6/21 | Midterm Exam |  |  |
| 6/26 | Review Exam  Capital Budgeting | Chapter 5 |  |
| 6/28 | Cash Flow Analysis  Risk and Return | Chapters 6 and 10 |  |
| 7/5 | Asset Pricing | Chapter 11 | Chapters 5-6 |
| 7/7  **Friday**  **9am - noon** | Asset Pricing |  |  |
| 7/10 | Beta  WACC | Chapter 13 |  |
| 7/12 | Market Efficiency  Review | Chapter 14 | Chapters 10-11 |
| 7/19  4 hours | Final Exam |  |  |