

MGT 181: Enterprise Finance

Undergraduate Course, Fall 2009

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OFFICE LOCATION:
OFFICE HOURS: Tuesday & Thursday, 3:20-4:20pm

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Note: This syllabus may be updated and revised at a later date. Please check WebCT for latest version.

COURSE TIMES AND LOCATION

The class time is TuTh from 2:00PM to 3:20PM on the first floor of Otterson Hall, room 1S113 at the Rady School of Management

COURSE DESCRIPTION

It is critical that business managers and other organizational leaders understand the financial issues common to a broad range of organizations. This course reviews both short and long term financial planning, the tradeoff between debt and equity financing and the process of raising capital from several perspectives. Topics include assessing and responding to the mindset of various kinds of investors, identifying ways to structure financing for growing firms, and deal structures for venture capital financing.

Utilizing lectures, readings, class discussions and assignments, students will learn how to construct financial statements and perform financial statement analysis, recognize the importance of cash flow management, calculate return on investments, and understand company valuation.

COURSE OBJECTIVES

The main goal of the course is to provide students with both the quantitative tools as well as the leadership insights needed to successfully contribute to the financial success of the enterprise. Students will learn about the broad range of tasks of the financial manager. While this is an introductory course in finance, it will cover all the main topics at an appropriate depth to sufficiently prepare the students to effectively manage the financial concerns of the small to medium sized enterprise or to make important contributions to larger and more complex organizations.

This quarter-length course is designed for upper division undergraduate students.

COURSE MATERIALS

The text book for this course is:

Fundamentals of Corporate Finance. 9th Edition 2008 (FCF)
Stepehn A. Ross, Ph.D.; Randolph W. Westerfield, Ph.D.; Bradford D. Jordan, Ph.D.
McGraw-Hill/Irwin. New York, New York

Each student is expected to have completed the reading for each class before the class starts.

EVALUATION AND GRADING

Students will be evaluated based on performance in three areas:

- i. Homework (15%) - There will be one homework assignment a week to be handed in before class starts on the days specified on the attached course schedule. The assignment with the lowest grade will be dropped at the end of the quarter.
- ii. Midterm (30%) - There will be a mid-term examination in class on **Oct. 29 (Thursday)**.
- iii. FINAL EXAM (55%) - There will be a 3-hour final exam. **Final Exam: 3:00- 6:00pm on December 10th (Thursday)**.

Please note: All exams are to be completed individually so collaboration among students is not allowed.

Every student should try to participate in class discussion. Class participation will help determine the grade of a student whose total grade falls near the boundary of a grade cutoff. Voluntary class participation is expected but I will call on individuals from time to time as well.

There will be no make-up exam available. If you miss the midterm for a verifiable medical/legal/sports reason that has been approved by me, your final exam will account for 85% of your grade. You must contact me immediately as soon as you know that you cannot take an exam. Failure to do so will result in a **zero grade** for that exam. Unexcused absences for an exam will also result in a **zero** as well. Please note that this policy doesn't give you the option to skip the midterm exam or drop the midterm grade if it doesn't meet your expectation.

COURSE OUTLINE

Week 1 (Sep. 24)	Intro to Finance	Chapter 1
Week 2 (Sep. 29, Oct. 1)	Financial Statements	Chapter 2 & 3
Homework #1 due Oct. 6		
Week 3 (Oct. 6, Oct. 8)	Time Value of Money Discounted Cash Flow	Chapter 5 Chapter 6
Homework #2 due Oct. 13		
Week 4 (Oct. 13, Oct. 15)	Bond Valuation	Chapter 7
Homework #3 due Oct. 20		
Week 5 (Oct. 20, Oct. 22)	Stock Valuation Stock Issuance	Chapter 8 Chapter 16
Homework #4 due Oct. 27		
Week 6 (Oct. 27, Oct. 29)	Capital Budgeting Part I	Chapter 9
Midterm Exam on Oct. 29		
Week 7 (Nov. 3, Nov. 5)	Capital Budgeting Part I Capital Budgeting Part II	Chapter 9 Chapter 10
Homework #5 due Nov. 10		
Week 8 (Nov. 10, Nov. 12)	Capital Budgeting Part II Risk and Return	Chapter 10 Chapter 12&13
Homework #6 due Nov. 17		
Week 9 (Nov. 17, Nov. 19)	Cost of Capital	Chapter 15
Homework #7 due Nov. 24		
Week 10 (Nov. 24)	Capital Structure	Chapter 17
Homework #8 due Dec. 3		
Week 11 (Dec. 1, Dec. 3)	Capital Structure	Chapter 17

ACADEMIC INTEGRITY

Integrity of scholarship is essential for an academic community. As members of the Rady School, we pledge ourselves to uphold the highest ethical standards. The University expects that both faculty and students will honor this principle and in so doing protect the validity of University intellectual work. For students, this means that all academic work will be done by the individual to whom it is assigned, without unauthorized aid of any kind.

The complete UCSD Policy on Integrity of Scholarship can be viewed at: <http://www-senate.ucsd.edu/manual/appendices/app2.htm#AP14>

STUDENTS WITH DISABILITIES

A student who has a disability or special need and requires an accommodation in order to have equal access to the classroom must register with the Office for Students with Disabilities (OSD). The OSD will determine what accommodations must be made and provide the necessary documentation to present to the faculty member.

The student must present the OSD letter of certification and OSD accommodation recommendation to the appropriate faculty member in order to initiate the request for accommodation in classes, examinations, or other academic program activities. No accommodations can be implemented retroactively.

Please visit the OSD website for further information or contact the Office for Students with Disabilities at (858)534-4382 or fosorio@ucsd.edu.