

## MGT 181: Enterprise Finance

Undergraduate Course, Spring 2021

INSTRUCTOR: **Harold Buchanan**

CLASS TIME AND LOCATION: **Zoom meeting: Section A: 11:00 AM [XXX REGISTRATION XXX](#)**

**Zoom meeting: Section B: 2:00 PM [XXX REGISTRATION XXX](#)**

NOTE: Only authenticated users can join the class so be sure to sign in to Zoom using your UCSD email address in advance.

EMAIL: **[hbuchanan@ucsd.edu](mailto:hbuchanan@ucsd.edu)**

OFFICE HOURS during class weeks 1 to 10:

**Monday from 1:00 PM to 1:45 PM and**

**Wednesday from 1:00 PM to 1:45 PM**

Zoom Meeting: **<https://ucsd.zoom.us/j/91015284110>**

TEACHING ASSISTANTS

**Reet Goyal: [rjgoyal@ucsd.edu](mailto:rjgoyal@ucsd.edu)**

Office Hours: during class weeks 1 to 10:

**Monday from 10:00 AM to 11:00 AM**

**Wednesday from 10:00 AM to 11:00 AM**

Zoom Meeting: **<https://ucsd.zoom.us/j/92488099316>**

**Nicole Thompson: [nethomps@ucsd.edu](mailto:nethomps@ucsd.edu)**

Office Hours: during class weeks 1 to 10:

**Tuesday from 12:00 PM to 2:00 PM**

Zoom Meeting: **<https://ucsd.zoom.us/j/95612440307>**

**Riddhi Patel: [r6patel@ucsd.edu](mailto:r6patel@ucsd.edu)**

Office Hours: during class weeks 1 to 10:

**Monday from 1:00 PM to 2:00 PM**

**Wednesday from 1:00 PM to 2:00 PM**

Zoom Meeting: **<https://ucsd.zoom.us/j/96348224220>**

*Note: This syllabus provides pertinent information about class policies and expectations. You are responsible for reading it, understanding it, and following it. It may be updated and revised at a later date. Please check Canvas for the latest version.*

### COURSE DESCRIPTION

This is an introductory course in enterprise finance. The course works to answer three main questions:

- 1) Which long-term investments should the firm take on?
- 2) Where will the long-term financing come from to pay for these investments?
- 3) How do we manage the everyday financial activities of the firm?

Emphasis will be placed on understanding and executing real world tools available to corporate finance to answer real world questions.

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

## **COURSE OBJECTIVES**

The main goal of the course is to provide students with 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. The student should gain familiarity with the language of finance, issues in corporate governance, time value of money, security valuation, capital budgeting, markets, cost of capital, using financial statements, forecasting and capital structure.

## **LECTURES ON ZOOM**

You must be familiar with operation of Zoom on your PC and be prepared to connect. The lectures will be on Zoom and executed during the scheduled class times. The lecture will be recorded and available on Canvas within 24 hours of the scheduled lecture for students that miss due to an emergency or are in time zones that preclude attending in real time.

**NOTE: Only authenticated users can join the class so be sure to sign in to Zoom using your UCSD email address in advance.**

TAs will be present and monitoring the chat for questions. Please ask questions in Chat. From time to time the Professor may ask for responses or questions directly from the class. Use the Raise Hand functionality in Zoom to respond to these requests.

## **TECHNICAL SUPPORT**

We are happy to answer questions about course content; but all questions related to technical support, user problems and the Zoom platform be directed to UCSD Student Zoom technical support via email at [Zoom@ucsd.edu](mailto:Zoom@ucsd.edu).

## **COURSE MATERIALS**

### **Lecture Notes**

My lectures are designed to be a complement to the textbook rather than a substitute, and your comprehension of the material in my lectures will be severely handicapped if you do not do the required reading before class.

The lecture notes that I am providing are very far from a complete record of what I say in class. By themselves they will be insufficient for keeping up with the course. Rather, the notes will serve as an outline for developing the concepts in each lecture while still requiring active learning (attending lectures, taking notes, and asking questions).

Lecture notes and other printed material will be available in Canvas. You will need to check Canvas to stay up to date on what material is available for you.

### **Textbook**

The following textbook is required to support the lectures:

*Fundamentals of Corporate Finance, 11th Edition (FCF)*  
Stephen A. Ross, Ph.D.; Randolph W. Westerfield, Ph.D.; Bradford D. Jordan, Ph.D.  
McGraw-Hill/Irwin. New York, New York

The lecture notes are organized around the textbook. The relevant chapters are indicated in the course schedule and the cover of the lecture notes. **The expectation is that you will read the relevant chapter in this textbook before class.** Questions in the quizzes will come from the text, problem sets and the lectures.

### Calculator

You are required to purchase the HP-10B II + (less than \$35 on Amazon.com and at the bookstore) to prepare problem sets, in class questions and quizzes. **You CANNOT use any other calculator on quizzes.** <http://h10032.www1.hp.com/ctg/Manual/bpia5213.pdf>

### Canvas:

The syllabus, lecture slides, Problem Sets, quizzes, announcements, grades, and other materials will be posted on Canvas. Please check it on a daily basis. Also use the Assignments Section in Canvas to turn in your Problem Sets. Please be certain you understand how to use the Assignments Section before your Problem Set is due.

**Use email, not Canvas messaging to communicate with the professor or TA's. When you email the TAs with questions, cc: them so they can see you have asked both a question. Any question to TAs or the Professor must include a screen shot of the problem.**

### The Wall Street Journal (not required):

The Wall Street Journal is not necessary for class but if you have an interest in finance, I highly recommend the digital edition to learn how to use it and get accustomed to its content.

Special offer as low as \$2 per month to students: <https://r.wsj.com/PROFbewx>

## COURSE EXPECTATIONS

**To attend class, be attentive and participate:** You are expected to attend every class, real time or recorded; you are responsible for the material covered in class whether or not you attend. You should be attentive in class and work through problems with the lecturer. Participate by answering questions posed by the lecturer.

**To read the assigned material:** The lectures will be much more effective if you read the assigned chapters beforehand. You will also be better prepared to ask questions and engage in discussion that will improve your understanding.

## PROBLEM SETS

Problem sets will be on Canvas under the Quizzes section. The calendar below shows when the problem set is due. **The problem set must be submitted in the Canvas quizzes section before your scheduled class time on the due date.** These problems are intended to help you understand the course material and prepare you for the quizzes. Solutions for Problem Sets will be posted to Canvas after the due date.

Problem set questions will be mixed in the form of short answers or numerical inputs. You will **not** be able to view your score immediately after submitting a problem set. Scores will become available to you within a few days of the due date, after TAs have manually graded all submissions.

Problem sets are graded as follows:

- 100% - good faith effort to complete and gets **most** of the answers correct
- 85% - good faith effort to complete but gets **many** of the answers correct

50% - at least 50% complete

0% - less than 50% complete or not submitted on time

**Your lowest problem set grade is dropped for grading at the end of the quarter.**

If you would like to request a regrade on a problem set, you must email or meet directly with a TA within one week of receiving your grade. Note that if a regrade is requested, the entire problem set will be regraded, not just the problem in question.

**QUIZZES**

The quizzes will be offered during the last 15 minutes of the class in which they are scheduled. Students are required to leave their video camera on and their audio muted to allow for TA monitoring during the quiz. Students outside the US time zones will take the quiz at 11:00 PM PST that evening.

**Quizzes are “open book,” which means you are permitted to use any materials from class, your own notes from the course, the text book, your HP-10B II (+) calculator and anything on MGT 181 Canvas. The quiz must be taken completely alone. Showing it or discussing it with anyone is forbidden. You may not consult any external resources. This means no internet searches, materials from other classes or books or any notes you have taken in other classes etc. You may not use Google or any other search engines for any reason. You may not use any Discord or shared documents. You may not use anything other than that provided by the professor to Canvas for this particular class. You may not consult with any other person, source or service regarding the quiz. You may not check your quiz answers with any person. You may not discuss any of the materials or concepts in MGT 181 with any other person. You may not print, take screen shots or reproduce the quiz in any way.**

**MISSING QUIZZES OR PROBLEM SET ASSIGNMENTS:**

All due dates are firm, and late submittals of written work are not graded except under the most extenuating circumstances (serious medical issues, emergencies, etc.). Quiz dates are firm and communicated before the class begins. Only the most extenuating circumstances would be cause for a make-up opportunity and would require approved documentation.

**EVALUATION AND GRADING**

Students will be evaluated based on performance in these areas:

1. Problem Sets (25%) - There will be 1 to 2 weekly problem sets assigned to be submitted via Canvas before class starts on the days specified on the attached course schedule. Lowest grade is dropped.
2. Quizzes (75% total at 15% each) - There will be 6 quizzes total, scheduled below. They will cover all lecture notes, problem sets, text chapters and class discussions indicated in the calendar below. Lowest grade is dropped.

Quizzes will not be returned. If you would like to discuss your quiz come see Professor Buchanan during his office hours. Answers will not be debated but we can discuss the content.

**Grading scale:**

A+ top 5% & 97% +	A 93 – 100	A- 90 – 92.99
B+ 87–89.99	B 83–86.99	B- 80–82.99
C+ 77–79.99	C 73–76.99	C- 70 –72.99
D+ 67 –69.99	D 60 –66.99	F Below 60

**COURSE OUTLINE**

CL ASS	DATE	TOPIC	READING	ASSIGNMENT	QUIZ CHAPTER
1	Mon Mar 29	Introduction to the Class	Syllabus		
2	Wed Mar 31	Introduction to Corporate Finance	Chapter 1 1.1 – 1.5		
3	Mon Apr 5	Financial Statements, Taxes and Cash Flow	Chapter 2 2.1 – 2.4		
4	Wed Apr 7	Working with Financial Statements	Chapter 3 3.1 – 3.3, 3.5		
5	Mon Apr 12	Time Value of Money	Chapter 5 5.1 – 5.3	Chapter 1,2,3 Problem Set due start of class	<b>1,2,3</b>
6	Wed Apr 14	Discounted Cash Flow Valuation	Chapter 6 6.1 – 6.4	Chapter 5 Problem Set due by start of class	
7	Mon Apr 19	Interest Rates and Bond Valuation	Chapter 7 7.1 – 7.7	Chapter 6 Problem Set due by start of class	
8	Wed Apr 21	Stock Valuation	Chapter 8 8.1 – 8.3	Chapter 7 Problem Set due by start of class	<b>5,6,7</b>
9	Mon Apr 26	Net Present Value and other Invest. Criteria	Chapter 9 9.1 – 9.7	Chapter 8 Problem Set due by start of class	
10	Wed Apr 28	Making Capital Budgeting Decisions	Chapter 10 10.1 – 10.6	Chapter 9 Problem Set due by start of class	
11	Mon May 3	Project Investment Analysis	Chapter 11 11.1 – 11.6	Chapter 10 Problem Set due start of class	
12	Wed May 5	Capital Markets History	Chapter 12 12.1 – 12.6	Chapter 11 Problem Set due start of class	<b>8,9,10,11</b>
13	Mon May 10	Risk and Return	Chapter 13 13.1 – 13.8	Chapter 12 Problem Set due start of class	
14	Wed May 12	Cost of Capital	Chapter 14 14.1 – 14.7	Chapter 13 Problem Set due start of class	
15	Mon May 17	Raising Capital	Chapter 15 15.1 – 15.11	Chapter 14 Problem Set due start of class	<b>12,13,14</b>
16	Wed May 19	International Corporate Finance	Chapter 21 21.1 – 21.7	Chapter 15 Problem Set due start of class	
17	Mon May 24	Behavioral Finance: Implications	Chapter 22 22.1 – 22.6	Chapter 21 Problem Set due start of class	
18	Wed May 26	Investments (not on quizzes)	Posted in Canvas	Chapter 22 Problem Set due start of class	<b>15,21,22</b>
	Mon May 31	<b>Memorial Day Observance</b>			
19	Wed Jun 2	<u>FINAL QUIZ</u> All Chapters	2nd 1/2 class	Investments Problem Set due start of class	<b>All Chapters</b>
	Friday Jun 11				No EXAM!

## 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: <https://senate.ucsd.edu/Operating-Procedures/Senate-Manual/Appendices/2>

To ensure clarity I want to explain what cheating (academic dishonesty) is in this class:

- pretending that somebody else's work is yours so that you can get a higher grade than your own work merits
- falsifying data
- using class materials not submitted to you directly from this instructor
- lying in order to extend a deadline or gain some other special advantage
- helping other people to do any of these things

Some specific forms of cheating include:

- copying answers on quizzes
- using reference materials (such as notes, books, shared documents, Discord, Chegg, Quizlet or any other online resources) during a quiz
- misrepresenting a medical or family emergency or other personal contingency in order to delay a scheduled quiz or to get extra time on an assignment
- using or sharing information (not submitted to you directly from this instructor) from another class to gain an advantage including prior sessions of this class
- pretending to have a disability you do not have (or exaggerating one you do have) in order to gain an unwarranted advantage unavailable to other students
- modifying graded material and then resubmitting it to "correct the error in grading"

Anyone caught cheating will receive a 0 on the associated quiz. Additional penalties are possible in accordance with the UCSD Policy on Integrity of Scholarship referenced above.

## **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 may 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 [osd@ucsd.edu](mailto:osd@ucsd.edu) <http://disabilities.ucsd.edu/about/index.html>

## **CLASS TWITTER ACCOUNT**

We will discuss current events and hot topics in finance during the year in an effort to bring the topics in the lectures to life. To facilitate this, I will post materials in a class Twitter account [@BuchananFinance](#) that I would like you to monitor. Please follow this account and review the tweets. I encourage you to respond and post your own articles of interest as a part of the discussion.