

**UNIVERSITY OF SOUTH DAKOTA  
BEACOM SCHOOL OF BUSINESS**

Semester:	Fall 2009	Instructor:	Dr. Angeline Lavin
Course:	Managerial Finance (BADM 710)	Office:	Beacom School
Sections:	Both online sections	Phone:	(605) 677-5566
Time:	Online	E-mail:	<a href="mailto:Angeline.Lavin@usd.edu">Angeline.Lavin@usd.edu</a>
Syllabus Date:	July 27, 2009	Website:	<a href="http://www.usd.edu/~alavin">www.usd.edu/~alavin</a>
D2L Chat office Hours: TWTh 9-10am (Central) and by appointment Elluminate Discussions: MW 9-10pm (Central)			

Information which requires your prompt attention is highlighted in yellow! There will likely be a few changes to this syllabus for class begins on August 31. I will provide an updated syllabus before August 31 with any modifications highlighted.

***Beacom School of Business Mission Statement***

We are a community of scholars and practitioners committed to superior undergraduate and graduate business programs accredited by AACSB International.

We emphasize excellence in teaching, promote intellectual exchange and development, and advocate continuous learning reflecting a dynamic global environment.

Our services deliver value to our students, the university, business disciplines, and society.

**DESCRIPTION OF THE COURSE:**

Managerial Finance covers both the theory and practice of finance from a value maximization perspective with a focus on business and corporate financial decisions. The course emphasizes the importance of integrated, data-driven business processes for effective decision-making in a global business environment. Topics addressed include the cost of capital, cash flow estimation and valuation, capital budgeting and investment analysis, the trade-off between risk and return, capital structure and dividend policy, ethics, corporate governance, and strategic value creation. Prerequisites: ACCT 210, 211: Principles of Accounting I & II or ACCT 520: Foundations of Accounting; and BADM 310: Business Finance or BADM 505: Foundations of Finance or equivalent. 3 credit hours. (*USD Graduate Catalog, 2008-2010*)

**PREREQUISITES:**

*ACCT 210, 211: Principles of Accounting I & II or BADM 520: Foundations of Accounting; and BADM 310: Business Finance or BADM 505: Foundations of Finance or equivalent.* The treatment of topics in this course will assume that you have a working knowledge of many of the core concepts covered in an undergraduate Business Finance course (time value of money, using the CAPM, stock and bond valuation, computing variances and standard deviations, etc.) Therefore, these topics will not be covered in as much detail in BADM 710. Since individual backgrounds in finance vary significantly, each participant is responsible for making sure that he/she reviews any areas of weakness in order to fully participate in class discussions, team work, and the case analysis process.

**ONLINE COURSE OBJECTIVE:**

A primary objective of online education is to permit students to complete all requirements of a course or degree program using the power of the Internet to make the course location independent. Other than the required textbook, students are able to access all materials necessary to complete the course requirements using an Internet connected computer. No campus-specific activities are required or necessary to complete this course.

**LEARNING OBJECTIVES:**

**Cognitive**

1. Students will understand the theory and practice of valuation as it is applied to stocks, bonds, and capital investments.
2. Students will understand how markets value the trade-off between risk associated with an investment and return on that investment.
3. Students will understand capital structure theory (how firms finance their capital investments) and dividend policy theory (what firms can do with their free cash flow).
4. Students will be able to identify the financial issues present in a particular situation and articulate their analysis verbally and in writing.

## Skills

1. Students will demonstrate their ability to use financial statement information to analyze a firm's financial position and discounted cash flow analysis to value stocks, bonds, and other investments and
2. Students will demonstrate their ability to use the capital asset pricing model (CAPM) to compute required return and estimate the cost of capital for a firm.
3. Students will demonstrate their ability to estimate cash flows for capital budgeting, forecasting, and planning purposes.
4. Students will demonstrate their ability to evaluate any potential investment using capital budgeting techniques such as NPV, IRR, Payback, and Profitability Index.

## Attitudes

1. Students will understand the importance of ethics and corporate governance to financial managers.
2. Students will demonstrate their awareness of responsible financial management strategies.
3. Students will demonstrate an appreciation of the importance of risk when making business decisions.
4. Through case analysis, students will develop a tolerance for ambiguity in dealing with financial situations that businesses face about which knowledgeable observers have different views and with problems for which there are no clear solution.

## INSTRUCTIONAL METHOD:

This course is presented in Desire2Learn (D2L), a proven and effective pedagogical tool utilized by many educational institutions worldwide and provided to you by USD.

**New D2L Users:** Once you are registered for Fall 2009, please go to <http://boris.sdbor.edu/idm>, and click the "I do not know my password" link to create your new password for D2L. Enter your D2L username, which is the same as your WebAdvisor ID, and your USD e-mail address. Since your WebAdvisor and D2L IDs are the same, we encourage you to utilize the same password for D2L as you use for WebAdvisor. After you have created your new password, you can login to D2L at <https://d2l.sdbor.edu> using the new password. After you have logged into D2L and the course is released for your use (which will not be until August 31,2009), you should see a course listed as [BADM710 - Managerial Finance](#) (or something similar). Simply click on that link, and you will be transferred to the home page for our course. If you have not used D2L before, there is a tutorial available on USD's Center for Teaching and Learning (CTL) website at [www.usd.edu/ctl](http://www.usd.edu/ctl). Click on D2L Support in the left hand menu, and from there choose D2L Login Demo.

**Existing D2L Users:** You can login to D2L at <https://d2l.sdbor.edu> using your previously created password. After you have logged into D2L and the course is released for your use (which will not be until August 31,2009), you should see a course listed as [BADM710 - Managerial Finance](#) (or something similar). Simply click on that link, and you will be transferred to the home page for our course.

**Important D2L Announcement:** D2L does not support Internet Explorer 8, and you may have trouble running D2L successfully if you use IE8. If you already have IE8 on your machine, it is apparently difficult to convert back to IE 7, so if you have IE 8 on your computer, you may want to run D2L using Firefox. If you have additional questions, please contact the USD Helpdesk at [helpdesk@usd.edu](mailto:helpdesk@usd.edu).

**USD E-MAIL:** If you do not have a USD e-mail account, please follow these instructions to obtain one. **24 hours after your** course registration is entered into the student system at USD you are eligible for a U. username and password. Whether your username and password are 'new' or 'existing,' you can obtain your account information online. Your U. email account is the official means of communication with USD. **You need your U. username and password to gain access to:** USD Email, D2L, Online Library Resources, Network File Space, and Personal Web Space. **For your account information go to:** [www.usd.edu/accounts/pickup](http://www.usd.edu/accounts/pickup). For assistance, contact **Information Technology Services** at 605) 677-5028 or [helpdesk@usd.edu](mailto:helpdesk@usd.edu).

## PARTICIPATION:

Class discussions are an integral part of any MBA class that employs the case method for learning material, whether the class is face-to-face or online. Each of you has a wealth of knowledge to share with your classmates, and the learning environment will be significantly enhanced if you have the opportunity to learn from each other. Therefore, you must be prepared to participate. In an online course, there are many ways to participate. To be successful, you must interact with your classmates through the discussion board, e-mail, the virtual chatroom and "live chats" in Elluminate. You also must engage with the content of the course by practicing problems, reading the text and cases, and listening to available lectures. Finally, you should interact with me as well during virtual office hours, phone office hours, live chats, Elluminate sessions and via e-mail.

**INSTRUCTOR AVAILABILITY:**

During the “work week” – Monday through Friday – I will generally log onto the D2L course once a day to respond to e-mail and answer questions. I will make every effort to respond to your e-mails within 24 hours during the work week. I will attempt to log on at least once each weekend and answer weekend e-mails within 48 hours.

**TIME EXPECTATIONS:**

Some online students may find it easy to procrastinate with their studies because this is not a face-to-face course. To avoid this please be sure to log into the course at least two or three times per week and keep up with the reading, lectures, cases, and assignments. It is expected that each student would spend a minimum of 12-15 hours per week on this course. Online MBA courses cover the same content as face-to-face MBA courses, it is only the method of delivery that differs.

**LEARNER SUPPORT:**

The University’s technical, academic, student, tutorial and research and writing resources support systems are outlined in the CE Online Orientation found on the Welcome Materials page of the course or at (<http://www.usd.edu/ce/Orientation.pdf>). You should read this information.

**LEARNING TOOLS:**

There will be a variety of learning tools available online in D2L to enable students to learn the content in BADM 505. Some of these tools will be similar to tools available in face-to-face classrooms and some will vary. Every student does not learn in the same way, and every student will not necessarily need to use every tool that is available. However, doing homework consistently is an absolute must for success in this course. It is essential that you keep up with material as it is presented. This, unfortunately, is not one of those classes in which it is possible to catch up at the last minute. In particular, it is important to do the problems as the material is presented. Much of the material presented in this course is cumulative in nature, and it is imperative that you keep up with material as we proceed. Therefore, the course has been designed with assignments, cases or exams every week so that you are motivated to keep. I am a firm believer that you “learn by doing”. Therefore, there are many opportunities for you to learn the material in this course by completing assignments!

**COURSE MATERIALS:**

**Required Materials for BADM 710 - you must have the text, and the case book, and be registered in ThomsonNOW/CengageNOW prior to the first day of class**

- a. **Financial Management: Theory and Practice PLUS ThomsonNOW also known as CengageNOW (required)**  
**Financial Management: Theory and Practice by Brigham and Ehrhardt, 12th edition PLUS a subscription to ThomsonNOW/CengageNOW (Required – each student should have his/her own copy of the book).**



**There are three ways to obtain this text with ThomsonNOW/CengageNOW. Please read this carefully. Ask if you have questions.**

1 **New Hard Copy** - New Copy of the Book (printed form) with ThomsonNOW/CengageNOW (*NOT the same as CengageONE or ThomsonONE*) access (ISBN 0-324-55434-6) - This book can be ordered through Barnes and Noble at USD or on the internet through sources such as [www.whywaitforbooks.com](http://www.whywaitforbooks.com) (Barnes and Noble college textbook website). If you purchase a hard copy of the text, you will need to get it packaged with ThomsonNOW/CengageNOW (see c below). Purchased this way, the textbook bundled with ThomsonNOW/CengageNOW access is less than \$10 more than the price of the new textbook alone. If you do not purchase the ThomsonNOW/CengageNOW package with the new text, then ThomsonNOW/CengageNOW will need to be purchased as a stand-alone item from the UC Bookstore or [www.ichapters.com](http://www.ichapters.com) for an additional \$59.

2. **E-Copy** – E-copies of the book package with ThomsonNOW/CengageNOW (ISBN is 0-324-64953-3) are also available. If you purchase the hard copy, you do not need an e-copy. You can go to [www.ichapters.com](http://www.ichapters.com) and search for the book by the author Brigham and buy the E-book for \$105. You can also purchase individual chapters at [www.ichapters.com](http://www.ichapters.com) for \$4.99 each. The E-book from ichapters does not come packaged with ThomsonNOW/CengageNOW. ThomsonNOW/CengageNOW is a \$59 add-on with ISBN 0324649525. It is available at [www.ichapters.com](http://www.ichapters.com). If you can't find it at ichapters, call 800-354-9706 and choose option 1.

3. **Used Hard Copy or Online Purchase of Hard Copy** - If you purchase a used copy of the Brigham and Erhardt text, or if you purchase a copy online without ThomsonNOW/CengageNOW access, you will need to purchase ThomsonNOW/CengageNOW access separately as a stand-alone item from the UC Bookstore or [www.ichapters.com](http://www.ichapters.com) for an additional \$59 ISBN 0324649525.

**b. Custom Case Book (required)**

There are two ways to purchase the custom case book.

1. **Hard Copy** - Custom case book available in print from Barnes and Noble at USD or as an E-book from [www.primisonline.com](http://www.primisonline.com). The hard copy available only through Barnes and Noble at USD or [www.whywaitforbooks.com](http://www.whywaitforbooks.com). The ISBN for the hard copy is 978-0-390-067701-3. The hard copy of the custom case book should sell for about \$50 per copy. The casebook contains materials from three different sources, so buying the underlying materials will be much more expensive than purchasing this custom book.

2. **E-Copy** – E-copies are available only through [ebooks.primisonline.com](http://ebooks.primisonline.com). Click on the Custom icon in the middle. The ISBN for the e-book is 0390998192, and it is listed under Managerial Finance. It is 184 pages long and costs \$29.62. Please note that the publisher recommends accessing the ebookstore through Internet Explorer and not D2L.

**c. ThomsonNOW/Cengage NOW (required)**

**Course Key: E-D63U8XJYVJBR**

ThomsonNOW/CengageNOW is a web-based product provided by the textbook publisher, Cengage (formerly Thomson-Southwestern). The graded homework assignments for this course must be done through ThomsonNOW/CengageNOW. You can register at [academic.cengage.com/login](http://academic.cengage.com/login) after you have purchased the text bundled with ThomsonNOW/CengageNOW, a printed access card or access through ichapters.com. All graded homework assignments as well as some practice assignments will be done through ThomsonNOW/CengageNOW. The **Course Key** for BADM 710 in ThomsonNOW/CengageNOW is **E-D63U8XJYVJBR**. You will need this to enroll in the correct course. **Please sign up for ThomsonNOW/ CengageNOW well before August 31.** If you need assistance accessing ThomsonNOW/CengageNOW, please let me know.

**How to access ThomsonNOW/CengageNOW after you have purchased your access code:**

- Go to [academic.cengage.com/login](http://academic.cengage.com/login) and click "Create My Account." On the next screen, select "student."
- Enter your Access Code and click "Continue."
- Enter your account information, and click "Continue." Next, agree to the license agreement, and click "Continue."
- Select an institution type and click "Search." On the next screen, select your institution and click "Register."
- "My Dashboard" lists all of your available resources. Click on SSO ThomsonNOW/CengageNOW to begin accessing ThomsonNOW/CengageNOW.
- Click "Continue."
- To register for your course, enter the course key given to you by your instructor in the space provided. Click "Submit."
- Congratulations. You are now enrolled in your course and ready to be using ThomsonNOW/CengageNOW.

The **ThomsonNOW/CengageNOW** product that everyone must use for the graded homework portion of the course also contains many additional features that will be useful for learning the material including toolkits, spreadsheets and demonstrations.

- Courseware Individualized Learning Plan** – You can take a pre-test for each chapter, which is automatically scored, and feedback is provided in the form of a learning plan that links directly to the items that you missed on the pre-test. A post-test helps to determine if you have mastered the material.
- Practice Assignments** – In addition to the required graded homework that must be submitted, I will also make some ungraded practice assignments available as well. Everything will be set up to be "algorithmic" which means you will get different numbers each time you attempt a problem. Therefore, the practice assignments will provide lots of opportunities to hone your skills! The post tests for all chapters that we cover and the pre tests for some chapters are already set up as practice assignments for you in ThomsonNOW/CengageNOW.

d. **Financial Calculator:** (required)

I suggest the Texas Instruments BA-II Plus business analyst (a handheld calculator). No matter what calculator you buy, please make sure the operations manual is included because each model works differently. There is document available on D2L that discusses use of the TI BA II Plus. You will be able to use a financial calculator on all exams.

e. **Wall Street Journal** (optional, but highly recommended).

If you would like to subscribe, you can sign up for a student subscription through me. **The fall subscription prices (updated 7/27/09) are \$34.95 for 15 weeks, \$59.95 for 26 weeks, or \$119 for 52 weeks.** (The normal price for the print and online versions is \$264 per year!) You will need to send me your name, the delivery address for the paper your email and phone number as well as your graduation date. I will order for you, and after delivery starts, you will be billed directly. The paper is now delivered six days per week, and as a student subscriber, you have access to the Online edition of the *Wall Street Journal* as well.

**LEARNING TOOLS:**

The Learning Tools available in D2L include the following.

- **Lectures:** Webstreamed lectures which cover the most critical information in the course. These are housed through a USD videoarchive site outside of D2L (<http://videoarchive.usd.edu/badm710/default.asp>), and the links are also available in the Content area of D2L.
- **Notes:** Notes for each chapter to be used when you view the Webstreamed lectures are available in the D2L Content area.
- **Practice Homework:** Homework problems will be assigned for each chapter that we cover in the text, and check figures will be provided. I expect that you will do each assignment, but the practice assignments will not be graded. This is a class where you have to do the homework to grasp the concepts. In that respect, it is much like a math class. You will find the course much easier if you keep up with the homework as it is assigned rather than leaving it all until a night or two before the test. The homework that is assigned from the end of each chapter is also set up as a practice assignments in ThomsonNOW/CengageNOW.
- **Discussion Board:** The Discussion Board feature in D2L is an excellent tool for students to use to communicate with each other. Please feel free to post your questions or discussion items to the Discussion Board, especially questions about practice homework problems. I will monitor the discussions that take place there, but I would like the Discussion Board to provide an opportunity for students to interact with each other.
- **D2L Live Chats (Office Hours):** Live synchronous chats with the instructor will take place three times each week in the D2L chatroom from 9-10am on Tuesday, Wednesday, and Thursdays mornings. The D2L chats at 9am will primarily be an opportunity for you to ask questions about the homework or the material being covered each week; they are not required, but they are for your benefit. From time to time, I may have to cancel one of these chat sessions due to other obligations. If I need to cancel a session, I will post a message on the message board on the BADM 710 course homepage in D2L.
- **Illuminate Discussions:** From 9-10pm on Monday and Wednesday evenings we will use the Illuminate web software, which allows for two-way audio interaction, for office hours. Illuminate chat sessions will be archived so you can view them later if you are not able to attend them “live.” You should, however, plan to participate “live” in one of the two sessions each week whenever possible. Most weeks we will be discussing the case that is assigned for the week during the Illuminate session, and if you never or seldom participate live in these sessions, it will negatively impact your participation grade for the course. In addition to discussing cases during these sessions, we can also discuss homework problems. During the Illuminate sessions the first week, on Aug. 31 and Sept. 2, I will introduce various features of D2L and the course. Any changes to office hour times during the course will be posted on the message board on the BADM 710 course homepage in D2L.
- **Free Resources:** In addition, there are free course learning resources available at [www.thomsonedu.com/finance/brigham](http://www.thomsonedu.com/finance/brigham). These resources include toolkits spreadsheets to show how calculations used in the chapter were actually done, and they provide additional practice in working problems.

**LEARNING ASSESSMENTS:**

Grades for this course are derived from the student’s performance on the following:

Midterm and Final Exam (100 pts each)	200
Written Group Case (2 @ 50 points each)	100
Graded Homework through ThomsonNOW/Cengage NOW (10 @ 10pts)	100
Individual case write-ups (2 @ 25 points each)	50
Student Homepage/Profile	10
Discussion/Participation	40
TOTAL	500

I use a standard 90-80-70-60 grading scale. You must obtain 80% of the total points possible to receive a B for the course.

## GRADED COURSE COMPONENTS:

a. **Homework:** (Graded Homework is 20% of course grade)

Practice Homework: Homework problems from the end of each chapter will be assigned for each chapter that we cover in the text, and check figures will be provided. I will also set up some ungraded practice assignments in ThomsonNOW/CengageNOW as well. This is a class where you have to do the homework to grasp the concepts. In that respect, it is much like a math class. You will find the course much easier if you keep up with the homework as it is assigned rather than leaving it all until a night or two before the test. My weekly office hours, both using the D2L chat as well as Elluminate, will provide an opportunity for you to ask questions about the homework. The Discussion Board feature in D2L is also an excellent tool for communicating with your classmates to discuss practice problems. Please feel free to post your questions or discussion items to the Discussion Board. I will monitor the discussions that take place there, but I would like the Discussion Board to provide an opportunity for students to interact with each other.

Graded Homework: There will be eleven (11) graded homework assignments worth 10 points each, but only ten (10) of the assignments will be graded. If you do all eleven, I will omit your lowest homework score. You must have access to ThomsonNOW/CengageNOW to complete the graded homework assignments. The graded homework for each week will always be due on Friday at midnight. Each assignment will likely consist of two to four problems. You will have 60 consecutive minutes to complete each graded homework assignments once you begin. You may not begin the assignment, log out, and then return later to finish it. Late homework is not acceptable since you have all week to complete it.

b. **Exams:** (40% of course grade)

There are two exams in this class, a midterm and a final. Exams will consist of problems with some multiple choice, true/false, fill-in-the-blank, and short essay questions. All material assigned and presented is eligible for testing on the exam, including information covered in the cases. You will receive a formula sheet for each exam. The formula sheets are posted in D2L. Examinations will not be given in D2L, and they will be proctored. Each exam will be 20% of your score for the course. You will have three (3) hours for each exam.

Each of you must complete the proctor form available at <http://www.usd.edu/ce/ProctorForm.pdf> and turn it in as specified on the form by **September 15, 2009**. If you live in one of the areas listed below, you must take your exam at the site as specified. These sites offer a professionally managed testing environment with extended hours.

Site	Proctor Centers	Phone Number
Pierre Area	Capital University Center	605-773-2160
Rapid City Area	Higher Education Center – West River	800-874-7518 or 605-394-6720 or 605-394-5285
Sioux Falls Area	University Center	866-220-7085 or 605-367-5989
Vermillion Area	Continuing Education at USD	800-233-7937 or 605-677-6240

If you are taking your exams at one of the centers listed above, you must call the center well in advance of exam day to schedule your exam.

If you do not live in one of the areas listed above, then you will need to identify your own proctor, following the guidelines provided on the proctor form. You must make sure the proctor is a professional person such as a librarian, minister, or school superintendent. The proctor is responsible for administering the test. In order to maintain academic integrity and quality in the Internet program, do not submit the name of a relative, close friend, or neighbor. All exams must be taken in a professional setting, not in a private home. You must use the same proctor for both exams.

You will not be permitted to use books, notes, or other materials for these examinations. You will, however, be able to use a formula sheet that I provide for each exam. It would be best to use the same proctor for all exams. If the proctor form is not returned by September 15, 2009, you will not be able to take the required exams. Students must submit a separate proctor form for each class they are taking that requires proctored exams. New forms must be submitted each semester.

Since there are only two exams, and the dates have been provided, you will need to take the exams as indicated. Absent emergencies or similar circumstances the failure to give prior notice of your absence will result in a zero for that exam unless arrangements were made 15 days prior to the first day the exam was available. The final exam will not be available prior to finals week.

c. **Cases:**

A total of twelve (12) cases/readings will be assigned during the semester. They are listed on the schedule at the end of the syllabus, and all of them are available in either the Custom Case book or the textbook. I expect that you will read and analyze all cases as they will serve as a springboard for class discussion and provide you with the information you need to participate fully in class. Please note that there will be questions for each case provided in D2L. Please make sure that your case write-up always addresses these questions! **Cases write-ups will always be due on Monday at 9pm and should be placed in the D2L DropBox.** Discussion will then take place during the Elluminate discussions at 9pm on Monday and Wednesday evenings. Late cases will not be accepted as discussion of the cases will begin when they are due. Note that “First Individual Case” in the D2L Dropbox is the first individual write up you do while “Second Individual Case” is the second individual write up you do.

For some cases, financial analysis is involved and will REQUIRE the use of a computer with spreadsheet software. The point of case analysis is to work toward a set of recommendations that is supported by your narrative and analysis. As you know, there is never a guarantee that the prescribed course of action will turn out to be “correct.”

1. **Written group cases** (20% of course grade)

Group written submission will be required for two (2) cases during the semester (Duetsche Brauerei and Fonderia di Torino). You will work in teams of 4 members. (There may be one or two groups with three members). I will be setting up separate discussion threads in D2L for each group to use when working on the case preparation, and the D2L Chat Room is also available for group meetings. With 48 hours notice, we can also request that Elluminate sessions be set up for your group if you desire. You may, of course, collaborate via e-mail as well. You may select your own group by September 30, 2009. If you have not notified me of your group choice by September 30, I will assign you to a group.

The narrative for each written case should be limited to five (5) pages, but the write-up may contain as many exhibits and spreadsheets as deemed appropriate by the group. Electronic copies of the exhibits and spreadsheets along with print outs should be handed in for both group cases via the D2L Dropbox. The basic outline of the case narrative should be organized as follows. Please use headings to separate sections. The 50 points for each group case will be allocated as follows: Computations (including accuracy and assumptions) - 20 points; Narrative Content (including degree to which questions were answered and addressed) – 20 points; Grammar, Spelling, and Punctuation – 5 points; and Clarity, Organization, and Correct Format – 5 points.

<i>Cover page</i>	Title, your name, date, course, etc. (Identify all the group members)
<i>Introduction</i>	A brief summary of the case - not to exceed one paragraph.
<i>Conclusions</i>	A few paragraphs containing your conclusions and recommendations.
<i>Analysis</i>	The detailed analysis that leads to your conclusions and/or decisions. The idea is to demonstrate why you are correct.
<i>Appendices</i>	Spreadsheets and detailed calculations

Each group member is expected to contribute equally to all group work, and each of you will evaluate the participation of the other members of your group in preparing the two written group cases. Evaluations, which will be done individually, are confidential and will be used to adjust individual grades. The exact methodology will be explained at the time of the evaluation; individual grades will be a function of both the group grade and peer evaluations. Though a group may earn a grade of 95%, a non-contributing individual in that group can earn a grade of 0%! **There will be no "free rides"!**

2. **Individual case summaries** (10% of course grade)

Individual typewritten summaries will be required for two (2) cases during the semester. The summary should not exceed two pages in length. I will notify you regarding which cases you will be doing, and due dates are listed on the schedule on the last page of the syllabus.

- A – Market Myths and Ben and Jerry’s
- B – Warren Buffett and Structuring Corporate Financial Policy
- C – Ethics in Finance and The Dividend Cut Heard Round the World
- D – Leading Citigroup Is a Share Buyback Right for Your Company?
- E - Corporate Governance (Chp. 15) and Gainesboro Machine Tools

Questions that your case write-up for each case must cover will be posted to D2L. Individual cases are meant to be individual assignments rather than collaborative efforts. Therefore, you should do your own work on each individual case, and if you have questions, you should e-mail me directly instead of posting your questions to the discussion board. The 25 points for each individual case will be allocated as follows: Grammar and Clarity - 3 points, Introduction - 2 points, and Content - 20 points.

d. **Discussion/Participation:** (10% of course grade – 2% student homepage and 8% case and homework discussion)

1. **Student Homepages:** A small portion of your grade (10 points) will be based on the completion of a student homepage in D2L. The purpose of this homepage is to provide the opportunity for all of us involved with the course to get to know each other a bit better. Your homepage might contain information about your current job, why you decided to pursue and MBA, the undergraduate institution you attended and what you studied as an undergraduate, the part of the country in which you live, maybe a bit about your family if you feel comfortable sharing that information, and any other interesting tidbits that you care to share. Please complete your homepage no later than September 4<sup>th</sup>! If you have already created a homepage in D2L for another course, it should still be there, so you can just update it for this course.
2. **Case and Homework Discussion:** A portion of your grade (40 points) will be based on substantive participation in case and/or homework discussions in Elluminate as well as participation in the Discussion Board discussions. Average participation (B grade level) would be attending one Elluminate discussion each week, substantively participating in an Elluminate discussion at least every other week, substantively participating in Discussion Board discussions periodically, and participating in chat office hours periodically. To obtain full (A grade level) participation points, you need to exceed the average in quantity and quality. I will provide participation grades for the first half of the course after eight weeks of the course are completed so you can gauge your participation and adjust if necessary. If you choose to never or seldom participate in these activities, your grade will reflect that choice.

A. **Discussion Board discussions**, which will primarily focus on homework, will be asynchronous and continuous. I would like, as much as possible, to handle questions on homework problems through the discussion board or Elluminate rather than e-mail so that all students in the class may benefit from questions that each of you have on homework. If you have a question on a homework problem, post it to the discussion board or ask it during an Elluminate session. If you have an answer to help someone else out, please provide it. I will plan to check the discussion board once a day to monitor postings and provide occasional assistance. There are lots of opportunities to learn from your classmates, and I would like this discussion board to be a forum for learning from each other. Therefore, while I will monitor the discussion, I would like each of you to take an active part in posting. Thoughtful, logical answers to questions will be considered substantive posts. Posts must be clearly and logically written with proper grammar, punctuation and spelling. Please proofread! Posting a question is not considered a substantive post. Simply saying “hello” or “I agree” is not considered a substantive contribution.

**Questions from the graded homework, exams and cases, should NOT be posted on the discussion board. If you have questions about those items, you must e-mail them directly to me.**

*Example of a substantive contribution:*

**Discussion question:** What is the intrinsic value of a company?

**Substantive post:** The intrinsic value of a company is the present value of the future cash flows that the business produces. The present value is obtained by discounting the cash flows using a discount rate that reflects the risk level of the investment. The intrinsic value may not, and often does not, equal the market price of the stock of a company. There are many methods that one can use to compute intrinsic value, and the appropriate method depends on the situation. One of the most popular methods for computing the intrinsic value of a stock is the dividend discount model. For mature companies experiencing relatively steady average annual growth that could reasonably be expected to continue for the long-term, the constant growth model can be applied. When a company is experiencing a period of fast growth, the non-constant growth model or two-stage growth model is the appropriate model to use because it can account for a relatively short period of fast growth (2-5 years), followed by a more sustainable constant growth rate in later years.

**If you want to make it really high quality, you might add this additional information:** In addition, there are various modifications that can be made to the cash flows used in a discounted cash flow model to accommodate stocks that do not pay dividends. For example, operating cash or earnings per share are alternatives to dividends as a measure of cash flows. When these alternative cash flow measures are used, the discount rate must often be adjusted to accommodate the modification.

**B. Elluminate discussions** will take place on Monday and Wednesday evenings from 9-10pm CST each week. During weeks when individual cases are due, the Elluminate discussions will focus on the cases, but you may still ask homework questions. During weeks when no individual cases are do, you can feel free to ask homework questions during the Elluminate sessions. During the first week of class, I will provide an introduction to the course during the Elluminate sessions. All Elluminate sessions will be archived for future viewing if you wish. You cannot earn participation points, though, by viewing an archived Elluminate session; you can only earn participation points by participating in the sessions live. **The first Elluminate session will be on Mon., Aug. 31 at 9pm, and the last will be on Mon., Dec. 14 at 9pm.**

Your Elluminate Live! username and password will be sent to you by the USD ITS HELPDESK. To login to Elluminate, go to [www.illuminate.com/member.jsp](http://www.illuminate.com/member.jsp). There is also a link to Elluminate on the lefthand side of the BADM 710 course homepage in D2L. **The username and password that were sent to you are case sensitive.** When you login for office hours live, just click on the BADM 710 session. When you want to view something in Elluminate that has been archived, click the Utilities tab at the top and then the Recordings button. Change the Start Date to the date of the archived session that you wish to view.

#### **ADMINISTRATIVE MATTERS:**

**Attendance Policy:** **All students must log into the course in D2L by midnight CST of day three (3) which is September 2, 2009; students who do not log into the course in D2L by midnight on September 2, 2009 will be dropped from the course.** Attendance will be taken each week and is determined by your participation as described above as well as completion of weekly graded homework. You simply must log onto the course each week; preferably several time each week!. If a student is unable to participate in class during a particular week due to an emergency, illness, or work related travel, he or she must notify the instructor prior to the missed week. There is no penalty for a one week absence, but the student is responsible for all material that was covered that week. The course grade will be reduced two percentage points for each absence in excess of one week.

**E-mail Communication:** I will make every effort to respond to all course e-mail sent to me either in D2L or to my USD e-mail account within 24 hours Monday-Friday. I may not be able to respond to e-mail within 24 hours on Saturday and Sunday. Please make every effort to send any questions that you would like answered on a particular week's material before 5pm on Friday. I will use the e-mail function in D2L to communicate course information to you. Please check D2L e-mail at least 2-3 times per week.

**Late Registration:** If you register late for the course, you will need to complete any assignments you have missed up to the point of registration as soon as possible. If you have any questions, contact your instructor.

**Instructor Initiated Drop:** The Instructor Initiated Drop will be used if the student has not participated in the course by day 3 which is September 2, 2009, at midnight (CST) and/or does not participate in the course on a weekly basis as specified in the attendance policy.

**Incomplete Grades:** While every case will be considered on an individual basis, no grades of incomplete will ordinarily be given in this course.

**Makeup Exams:** Make-up exams will only be given if **I am notified of your absence prior to the day the exam becomes available.** Make-up exams must be completed as soon as possible.

**Grade Appeals:** All grade appeals must be in writing and submitted to me within one week of the time the graded quiz/case/exam is returned to you. No late appeals will be considered.

**Honor Code and Ethical Considerations:** Ethical behavior is an important part of the course as it relates to business behavior and as it relates to one's own personal behavior. Students are expected to conduct themselves in an honest, dignified, and professional manner. Such behavior includes respecting the rights, opinions and beliefs of others, as well as the diversity of others. Failure to comply puts you at risk of being removed from the course.

**Plagiarism and Cheating Policy:** Plagiarism is defined as using the words and/or ideas of another representing them to be your own, without proper credit to the author or source. Plagiarism and cheating indicate a lack of respect for ethical considerations and social responsibilities. These practices will not be tolerated. Plagiarism, either intentional or unintentional, will result in a grade of *zero* for the assignment. Because it is impossible to evaluate a plagiarized paper, no credit can be given. Cheating will result in being dropped from the course with a letter grade of "F."

**Privacy of Student Records:** The Family Educational Rights and Privacy Act of 1974 (FERPA) provides that each student's educational records remain private. No individual or group outside the educational institution shall have access to nor will the institution (including professors) disclose students' educational records without written consent of the students. Because the professor cannot ensure that the student is the only one with access to the student's email account, grades will not be provided via email. The student may access his/her final grade using WebAdvisor or D2L.

**Freedom in Learning:** Students are responsible for learning the content of any course of study in which they are enrolled. Under Board of Regents and University policy, student academic performance shall be evaluated solely on an academic basis and students should be free to take reasoned exception to the data or views offered in any course of study. Students who believe that an academic evaluation is unrelated to academic standards but is related instead to judgment of their personal opinion or conduct should contact the dean of the college which offers the class to initiate a review of the evaluation.

**Special Assistance or Needs:** Any student who feels s/he may need academic accommodations or access accommodations based on the impact of a documented disability should contact and register with Disability Services during the first week of class. Disability Services is the official office to assist students through the process of disability verification and coordination of appropriate and reasonable accommodations. Students currently registered with Disability Services must obtain a new accommodation memo each semester. For information contact: Ernetta L. Fox, Director, Disability Services, Room 119 Service Center, (605) 677-6389, [www.usd.edu/ds](http://www.usd.edu/ds); [dservices@usd.edu](mailto:dservices@usd.edu).

**If your tuition bill is not paid by the due date**, the Registrar **will drop** you from this course. You will not be allowed to re-enter the class until it is offered again. The last day to drop this course without paying for it in full is before 10% completion of the course (September 10, 2009). The last day to drop this course with a "W" is before 75% completion of the course (November 16, 2009). Refer to the USD Office of the Registrar's web site for policy updates. The USD Registrar's office at 605-677-5339 or [registrar@usd.edu](mailto:registrar@usd.edu) processes late withdrawals.

**COURSE OUTLINE:**

<b>Week</b>	<b>Date</b>	<b>Topic</b>	<b>BE Chp</b>	<b><u>Cases</u></b> <i>Case write-ups will always be due on Monday at the beginning of each week listed at 9pm CST with discussion to follow from 9-10pm on Mon or Wed in Elluminate.</i>	<b><u>Graded Homework and Exams</u></b> <i>Graded Homework will always be due on Friday at the end of each week at midnight CST.</i>
1	8/31	Introduction, Integration	1*	How to Study and Discuss Cases – read this on your own	Student Homepages due 9/4
2	9/7	Time Value of Money	2*		HW 1 (Chp. 2) due 9/11
3	9/14	Financial Statements; Financial Ratios	3*, 4*	Market Myths due 9/14 (A)	Proctor forms due on 9/15; HW 2 (Chp. 3 and 4) due on 9/18
4	9/21	Financial Forecasting	14	Warren Buffet due 9/21 (B)	Elluminate session will be on Thurs 9/24 at 9pm instead of Wed, 9/23 HW 3 (Chp. 14) due 9/25
5	9/28	Bond Valuation	5	Ethics in Finance due 9/28 (C)	Group member selections due 9/30; HW4 (Chp. 5) due 10/2
6	10/5	Risk, Return, CAPM	6,7	Leading Citigroup due 10/5 (D)	HW5 (Chp. 6) due 10/9
7	10/12	<b>Midterm Exam (Chps 1-7,14) – Can be taken on 10/12, 10/13, 10/14, or 10/15 (10/12 is a holiday)</b>			
8	10/19	Stock Valuation	8	Corporate Governance (Pages 537-551 BE) due 10/19 (E)	
9	10/26	Cost of Capital	10	Deutsche Brauerei due 10/26 (GROUP)	HW 6 (Chp. 8 and 10) due 10/30
10	11/2	The Basics of Capital Budgeting	11	Ben and Jerry's due 11/2 (A)	HW 7 (Chp. 11) due 11/6
11	11/9	Cash Flow Estimation	12		HW 8 (Chp. 12) due 11/13; Veteran's Day is 11/11
12	11/16	Capital Structure	16/17	Fonderia di Torino due 11/16 (GROUP)	HW 9 (Chp. 16) due 11/20
13	11/23	Dividend Policy	18		Thanksgiving is 11/26
14	11/30			Structuring Corporate Financial Policy due 11/30 (B) The Dividend Cut Heard Round the World due 11/30 (C)	HW 10 (Chp. 17) due 12/4
15	12/7			Is a Share Buyback Right for Your Company? due 12/7 (D) Gainesboro Machine Tools due 12/7 (E)	HW 11 (Chp. 18) due 12/11
16	12/14	<b>Final Exam (Chps 8, 10-12, 16, 18) – Can be taken on 12/14, 12/15, 12/16 or 12/17. I will be available for questions through noon on 12/16 (Wed). There will be no Elluminate session on Wed., Dec. 16 and no D2L chat on Thurs, Dec. 17.</b>			

\*Denotes that a good portion of this material is prerequisite knowledge that you should have had in your previous finance course (BADM 310 or BADM 505 or equivalent). I will hold Elluminate sessions on 10/12 (Native American Day) and 11/11 (Veteran's Day). There will not be an Elluminate session on 11/25 (the night before Thanksgiving).