Instructor: Dr. Mukunthan S. Krishnan  
Class period: M W 11:00 – 12:15  
Office: BA 433  
Classroom: BA 408  
Office Hours: By appointment  
Office phone: 282-5747  
Web address: Moodle  
email address: santmuku@isu.edu

Course Objective:  
This course provides students with the basic concepts underlying corporate financial management and equips them with quantitative analysis tools necessary in helping firms maximize shareholder value. Key topics include time value of money, financial performance measurement, risk and return, valuation, capital investment analysis, cost of capital.

Prerequisites:  
You must have junior class standing and have taken Accounting 201, Economics 201 and Economics 202, and Management 216. There are no exceptions to the prerequisite requirements. You will be required to certify in writing that you meet the prerequisites before taking the course. Taking a prerequisite course concurrently is not sufficient.

Required Texts:  
(1) Financial Management, 10th edition, Keown, Martin, Petty and Scott

Financial Calculator:  
You will need a financial calculator for this class. We will use HP 10BII as the primary calculator for class room discussion. While you are welcome to use any other calculator, you are responsible for learning how to use your calculator. The sharing of calculators during an exam is prohibited.

Grading:  
Unannounced Quizzes (8 @ 2.5% each)... ........ 20%  
Capital Budgeting Case .............................. 5%  
Exam 1.................................................. 15%  
Exam 2.................................................. 20%  
Exam 3.................................................. 20%  
Final Comprehensive Exam .......................... 20%  
Total..................................................... 100 %

Capital Budgeting Case:  
Case analysis is a fundamental tool in learning management decision making. The objective of this case is to integrate the concepts and tools learnt in this course in analyzing the business scenario presented in the case.
Unannounced Quizzes

In addition to exams, I will assess your knowledge of the content of each section of material using quizzes. There are 9 quizzes total. You may drop your lowest quiz from your grade calculation. There are therefore no makeup quizzes given. The quizzes may also contain questions pertaining to current world and business events from the Wall Street Journal that were discussed in class.

Exams:

The exams will consist of multiple-choice problems to facilitate rapid grading. The vast majority of questions on the exam are numerical problems. The best way to prepare for the exam is to attend class, understand the notes, read the chapters, and work as many problems as you can. I can’t emphasize enough the importance of practice. On an average, I expect you to spend 3-4 hours outside classroom to stay current with the materials covered in the class.

Class Participation and Conduct:

While I will not take attendance during class, it is the student’s responsibility to OBTAIN my permission to miss a class PRIOR to the class. A message or email sent to me will be considered permission for absence only in case of medical emergencies. Missing more than 3 classes without permission will result in lower grade (A- to a B+).

Students with Disabilities:

Our program is committed to all students achieving their potential. If you have a disability or think you have a disability (physical, learning disability, hearing, vision, psychiatric), that may need a reasonable accommodation, please contact the ADA Disabilities & Resource Center located in Graveley Hall, Room 123, 282-3599 as early as possible.

Academic Integrity:

Academic integrity is expected at ISU and the College of Business. All forms of academic dishonesty, including cheating and plagiarism, are strictly prohibited, the penalties for which range up to permanent expulsion from the university with “Expulsion for Academic Dishonesty” noted on the student’s transcript. If you are unclear as to what constitutes academic dishonesty, you can get a copy of the College of Business Policy on Academic Integrity from the College of Business office in BA 202, or from the College of Business website at www.cob.isu.edu, or refer to the ISU Faculty/Staff Handbook policy on academic dishonesty at: www.isu.edu/references/fs.handbook/part6/6_9/6_9a.html.
# Tentative Calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Event/Chapter</th>
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<tbody>
<tr>
<td>January 14th</td>
<td>First day of class: Administrative details</td>
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<tr>
<td>January 16th to 28th</td>
<td>Chapter 5: Time Value of Money</td>
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<td>January 30th and February 4th</td>
<td>Chapter 7: Valuation and Characteristics of Bonds</td>
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<td>February 6th</td>
<td>Exam 1, Covering chapters 5 and 7</td>
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<td>February 11th till 27th</td>
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<tr>
<td>March 3rd and March 5th</td>
<td>Chapter 2: Understanding Financial Statements, Taxes, and Cash Flows</td>
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<td>March 10th till March 17th</td>
<td>Chapter 3: Evaluating a Firm’s Financial Performance</td>
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<tr>
<td>March 18th</td>
<td>Exam 2, Covering chapters 2, 3, 9, and 10</td>
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<tr>
<td>March 24th and March 26th</td>
<td>No Class: Spring Break</td>
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<tr>
<td>March 31st and April 2nd</td>
<td>Chapter 6: Risk and Rates of Return</td>
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<tr>
<td>April 7th and 9th</td>
<td>Chapter 12: Cost of Capital</td>
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<td>April 14th and 16th</td>
<td>Chapter 8: Stock Valuation</td>
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<td>Tentative Calendar</td>
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<tr>
<td>April 21st</td>
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<tr>
<td>Efficient Market Hypothesis</td>
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<td>April 23rd</td>
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<td>Exam 3</td>
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<td>Covering material covered since Exam 2</td>
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<tr>
<td>April 30th and 2nd</td>
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<td>Summary and Review</td>
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<td>May 7th</td>
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<td>10:00 AM to 12:00 Noon</td>
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<tr>
<td>Comprehensive Final Exam</td>
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Statement of Expectations

What can you expect from me?

You can expect a well planned course content that
• that provides you a good understanding of important financial decisions made in companies
• that prepares you for subsequent courses

My teaching style is based on
• being well prepared for class
• setting office hours based on your convenience
• setting class pace based on your feedback
• treating you as a responsible adult
• being open to feedback and criticism
• setting a strict but fair grading policy
• Writing exams that are challenging, but that do not have any surprises.

What I expect from you?

I expect the following from you:

• Positive attitude towards learning.
• If you use a laptop, do not use it for anything other than what is being currently discussed in class.
• Be courteous and considerate of the instructor and the fellow students.
• Avoid chatting with other students in class.
• Every class you will need to print the class notes posted on Moodle.
• Spend at least 3 hours every week outside the class working on practice material.
• Act as a responsible adult. Be ready for periodic evaluations and quizzes.

Keys to Success

• Practice, Practice, and Practice some more.
• Being an active learner. Don’t wait till the exam/quiz to learn the material.
• Form study groups if possible.

Contacting Me

I tend to be most favorably disposed to those students who come to office hours prepared (who have read the chapters, attended lectures, and ask well thought-out questions), in a timely manner (the material you are asking about has been lectured on within the past week), not asking for charity (explaining a concept or examples, for instance, not asking about “what will be on the quiz?” or “is this important?” or “Can you explain Topic X”).

Bottom Line

Expectation is a two-way street. If you expect the class to be beneficial, both you and I have to work towards that goal.