

INTRODUCTION TO FINANCIAL MANAGEMENT
FINANCE 700 – EvMBA
FALL SEMESTER 2007

INSTRUCTOR

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OFFICE HOURS

After class every Thursday or by appointment

TEXT

Fundamentals of Corporate Finance (Alternate Edition). Ross, Westerfield, and Jordan, 8th edition, McGraw-Hill / Irwin. [ISBN 0-07-299121-6]

COURSE OVERVIEW AND OPERATING PROCEDURES

This course is intended to acquaint students with financial concepts and principles that are used in managing the financial resources of a firm.

Throughout this course, students will be expected to complete problem sets and other assignments designed to let them learn how to apply financial concepts to various capital management problems. These problem sets are not “make work” exercises. Rather, they are intended to let students gain experience in using key concepts covered in the course.

It is understood that students may sometimes be unable to attend class due to other commitments or personal emergencies. Students who miss class will not be penalized in any way. In the case of examinations, students are expected to take exams early when they know before hand that they will be unable to sit for the test at the time specified on the class outline.

GRADING

Exam #1 – October 11, 2007	30 %
Exam #2 – November 15, 2007	30 %
Final Exam (Comprehensive) – December 13	40 %

Procedure: Base is the mean score of the top 5% of all grades in class

G \geq 90% Base -- A
G \geq 85% Base -- AB
G \geq 75% Base -- B
G \geq 65% Base -- BC
G \geq 60% Base -- C
G \geq 50% Base -- D
G < 50% Base -- F

COURSE OUTLINE

Part I: Overview of Corporate Finance

- Ch.1 Introduction to Corporate Finance (9/6)
- Ch.2 Financial Statements, Taxes, and Cash Flow (9/6)

Part II: Financial Statements and Long-Term Financial Planning

- Ch.3 Working With Financial Statements (9/13)
- Ch.4 Long Term Financial planning and Growth (9/13)

Part III: Valuation of Future Cash Flows

- Ch.5 The Time Value of Money (9/20)
- Ch.6 Discounted Cash Flow Valuation (9/27)
- Ch.7 Interest Rates and Bond Valuation (10/4)
- Ch.8 Stock Valuation (10/4)

EXAMINATION OCTOBER 11, 2007

Part IV: Capital Budgeting

- Ch.9 Net Present Value and Other Investment Criteria (10/18)
- Ch.10 Making Capital Investment Decisions (10/25)
- Ch.11 Project Analysis and Evaluation (10/25)

Part V: Risk and Return

- Ch.12 Some Lessons from Capital Market History (11/1)
- Ch.13 Return, Risk, and the Security Market Line (11/8)

EXAMINATION NOVEMBER 15, 2007

Part VI: Cost of Capital and Long-Term Financial Policy

- Ch. 15 Cost of Capital (11/20)
- Ch. 17 Financial Leverage and Capital Structure Policy (11/29)
- Ch.18 Dividends and Dividend Policy (12/6)

FINAL EXAMINATION DECEMBER 13, 2007