BUS629: Managerial Finance (CRN: 78149)
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Class Session: Tu 6:00 PM – 8:45 PM
Office Hours: By Appointments Only

REQUIRED TEXT


2. Lectures will also be drawn from materials from other sources, including class notes.

COURSE PREREQUISITES

Knowledge of financial accounting, statistics, and economics: BUS 610, 611 & 612.

COURSE DESCRIPTION

The objective of this course is to develop your understanding of the theory of corporate finance so that you will have the conceptual foundation for making intelligent financial decisions. Basic issues such as risk and return, capital budgeting decisions, cost of capital, capital structure decisions, and dividend decisions will be covered. Considerable time will be devoted to the proper treatment of uncertainty and its effect on corporate decisions. You will learn the effects of capital budgeting decisions, capital structure decisions, and dividend decisions on the value of a firm and its stockholders’ wealth.

GRADING POLICY

Comprehensive Final Exam 200 Points (40%)
Two Mid Term Exams 200 Points (40%)
Homework and Class Participation 100 Points (20%)

1. Examination: Exam will be developed from the assigned readings and homework as well as lecture material.

2. Homework: Homework assignments consist of end-of-chapter problems. Late submissions will earn the lowest mark in class.

3. Class Participation: All students are expected to contribute to class discussions. This includes participating actively in class discussions and problem solving.

The final letter grade will be determined based on the following cut-off:

97+: A+
92 ~ 97::- A
88 ~ 92::- A-
85 ~ 88::- B+
80 ~ 85::- B
77 ~ 80::- B-
72 ~ 77::- C+
68 ~ 72::- C
62 ~ 68::- C-
55 ~ 62::- D+
50 ~ 55::- D
45 ~ 50::- D-
< 45: F

I grade on a curve with letter grades assigned only to the final course cumulative score. Under normal situations, the distribution of the course grades looks like this:

A+: 5%; A: 10%; A-: 10%; B+: 15%; B: 20%; B-: 10%; C+: 10%; C: 10%; C- or below: 10%.

COURSE OUTLINE

<table>
<thead>
<tr>
<th>Date</th>
<th>Session Topics</th>
<th>Reading Assignments</th>
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<tbody>
<tr>
<td>August 25</td>
<td>Objectives and Time Value of Money (I)</td>
<td>Chapters 1 &amp; 4</td>
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<tr>
<td>September 1</td>
<td>Time Value of Money (II)</td>
<td>Chapters 4 &amp; 5</td>
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<td>September 8</td>
<td>Bond Valuation &amp; Stock Valuation</td>
<td>Chapters 5 &amp; 6</td>
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<td>September 15</td>
<td>Bond Valuation &amp; Stock Valuation</td>
<td>Chapters 5 &amp; 6</td>
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<td>September 22</td>
<td>Capital Budgeting Decisions (I)</td>
<td>Chapter 7</td>
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<td>September 29</td>
<td>Capital Budgeting Decisions (II)</td>
<td>Chapter 8</td>
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<td>October 6</td>
<td>1st Mid Term Exam</td>
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<td>October 13</td>
<td>Risk &amp; Return (I)</td>
<td>Chapters 10 &amp; 11</td>
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<td>October 20</td>
<td>Risk &amp; Return (II)</td>
<td>Chapters 11 &amp; 12</td>
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<td>October 27</td>
<td>Valuation</td>
<td>Chapters 12</td>
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<td>November 3</td>
<td>2nd Mid Term Exam</td>
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<td>November 10</td>
<td>Cost of Capital</td>
<td>Chapters 12 &amp; 14</td>
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<td>November 17</td>
<td>Dividend Policies &amp; International Finance</td>
<td>Chapters 16 &amp; 20</td>
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<td>November 24</td>
<td>No Class</td>
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</table>
December 1    Option Pricing & Futures    Chapter 17
December 8    Raising Capital    Chapter 19
December 14-18    Final Exam

LECTURE MATERIALS

You can download lecture materials from https://laulima.hawaii.edu/portal. No hard copy versions will be distributed in class.

ACADEMIC HONESTY

All relevant SCB policies concerning academic honesty, grievance procedure and confidentiality in grading apply. Academic dishonesty as defined by the UH Student Conduct Code (www.hawaii.edu/student/conduct) may lead to redoing the assignment, receiving a failing or reduced grade for the course or being referred to the UH Dean of Students for University disciplinary action. The University of Hawaii defines academic dishonesty as follows:

Because UHM is an academic community with high professional standards, its teaching, research, and service purposes are seriously disrupted and subverted by academic dishonesty. Such dishonesty includes cheating and plagiarism as defined below. Ignorance of these definitions will not provide an excuse for acts of academic dishonesty.

WHO IS YOUR PROFESSOR?

Please refer to my homepage: http://www2.hawaii.edu/~rheesg.