

Shidler College of Business
University of Hawai'i at Manoa
Global MBA Program
Spring 2021

BUS 629 - Managerial Finance
Meeting Days: Weds.
Meeting Times: 6:00 – 8:45 pm
Office hours by appt.

Eric L. Mais
Bus Adm C-502j
956-6466
mais@hawaii.edu

Course Description:

What specific assets should the firm acquire and what total volume of funds should the enterprise commit?

How should the funds required be financed?

How best to manage short-term operating cash flows?

These questions appear on page 2 of the text and will serve as a blueprint for this course and provide the course learning objectives. The course is designed to provide you with a logical and consistent thought process that can be applied in a diverse set of situations. The emphasis is on providing a rigorous framework of conceptual and practical knowledge that will help the financial executive keep up to date with current developments in finance, particularly as they affect his/her decision making process.

Course Format:

Cases Seven cases will be assigned. The class will organize into six teams to analyze the cases. I will present the first case but all teams must be prepared to discuss the case. Each team will have an opportunity to present one case to the class and will turn in a written case write-up for the case they present. In addition, each team will turn in two more case write-ups for two of the remaining cases they do not present. All teams must fully solve and be ready to discuss each case assigned. I will call on and ask questions of the teams not presenting a particular case and the response given will affect that team's case grade. More details on the cases will be provided later. The cases provide 50% of your grade. Anonymous peer evaluations will allow your teammates to rate your performance in your team and this will affect your grade.

Formal Examination There will be a final exam as indicated on the class schedule. The final exam is comprehensive and provides 25% of your grade.

Participation Your participation will be evaluated on the quantity and quality of your contribution. Quality comments usually include one or more of the following attributes: provides a unique and relevant perspective on the issue, builds on other comments, and keeps the discussion moving forward. Participation accounts for 25% of your grade and is heavily affected by your peer evaluation.

Homework Problems Homework problems are assigned for each chapter and are listed in the Class Schedule. These are not collected and graded, nor do they count explicitly towards your grade. However, it is impossible to master the material in this

course without doing the homework problems. The simple answers to some of the questions are located in the back of the text while the complete solutions to the end of chapter problems and questions are on the Laulima class website.

You must have a financial calculator to get through the course. Many of the exam and text book problems involve complex arithmetic and financial calculations -- and a financial calculator is necessary to solve them. I recommend either the HP-10B-II or the HP-17B. The 10B-II does everything needed in the course. I will use one in class and explain how to work various problems with it, so you can follow lectures most easily if you use a 10B-II. Students should become completely familiar with their machine prior to the exam. No calculator instruction guides or user's manuals may be used during the examination. Calculators may not be shared on the exam. For the cases you will need access to Excel or another electronic spreadsheet.

Textbook Information: The text for the course is *Corporate Finance: Core principles and applications*, by Ross, Westerfield, Jaffe, and Jordan, McGraw-Hill-Irwin, 5th Ed., 2018, hereafter referred to as "RWJJ". PowerPoint slides and other course materials are available on the Laulima website. You should be prepared to invest about 6 to 9 hours a week outside of class time to successfully learn the course material.

Email: Please do not use email to ask any questions related to the course content or format. Such questions should be asked in person during class or office hours. I am a slow typist and email is a very inefficient way to respond to questions.

Course Grading Policy:

The final course grades may be curved depending on the class distribution. Plus or minus grades will be given. The Shidler College of Business MBA program adheres to the following grade distribution policy. No grade information will be given out by email or phone.

1. The target for "A" grades in MBA core courses is no more than 30 percent of assigned grades.
2. The target for "A" grades in MBA elective courses is no more than 40 to 50 percent of assigned grades.

A complete description of the grade distribution policy may be found in the student handbook located at (www.shidler.hawaii.edu/gradhandbook)

Academic Dishonesty: Instances of academic dishonesty, as defined by the University Student Conduct Code (<http://www.hawaii.edu/student/conduct>), will not be tolerated and any instance of academic dishonesty may result in a grade of "F." Further disciplinary sanctions may also be imposed by the Dean of Students in accordance with the fore-mentioned Student Conduct Code.

Student Handbook: All information on student services, policies and procedures not mentioned on this syllabus are available in the Shidler College of Business Graduate Student Handbook. You will be held responsible for understanding all University of Hawaii and Shidler College of Business policies and procedures, if you have questions regarding any of these items, please contact OSAS.

Course Calendar Class meets 6:00 to 8:45 pm

Class 1 (Jan 13)

Topic Introduction, Financial Statements, and Long-term Planning

Read RWJJ Ch 1, 2

Concept Questions Ch1: 1, 2, 3, 4, 5 Ch2: 2, 4, 6, 7, 9

Questions and Problems Ch1: none Ch2: 4, 5, 6, 8, 9, 10

Class 2 (Jan 20)

Topic Introduction, Financial Statements, and Long-term Planning

Read RWJJ Ch 3

Concept Question Ch3: 3, 4, 7

Questions and Problems Ch3: 1, 3, 4, 5, 6, 8, 9, 10

Class 3 (Jan 27)

Topic Valuation and Capital Budgeting

Read RWJJ Ch 4

Concept Questions Ch4: 1, 2, 3

Questions and Problems Ch4: 1 - 15, 25, 26, 33, 36, 42

Case #1 "Ratios and Financial Planning at East Coast Yachts"

Class 4 (Feb 3)

Topic Valuation and Capital Budgeting

Read RWJJ Ch 5, 6

Concept Questions Ch5: 2, 5, 8, 17 Ch6: 1, 2, 3, 9

Questions and Problems Ch5: 1 - 4, 8, 9, 13 Ch6: 1 - 9, 13, 15, 20

Class 5 (Feb 10)

Topic Valuation and Capital Budgeting

Read RWJJ Ch 7

Concept Questions Ch7: 3, 6, 9

Questions and Problems Ch7: 1 - 10, 14, 15, 16, 19, 23

**Case #2 "Financing East Coast Yachts' Expansion Plans with a Bond Issue"
and "Stock Value at Ragan Thermal Engines"**

Class 6 (Feb 17)

Topic Valuation and Capital Budgeting

Read RWJJ Ch 8

Concept Questions Ch8: 1- 5

Questions and Problems Ch8: 1 - 10, 12, 13, 14, 17, 21

Class 7 (Feb 24)

Topic Valuation and Capital Budgeting

Read RWJJ Ch 9

Concept Questions Ch9: 2, 4, 6

Questions and Problems Ch9: 1 - 10, 13, 14

Case #3 "Expansion at ECY"

Class 8 (Mar 3)

Topic Risk and Return

Read RWJJ Ch 10, 11

Concept Questions Ch10: 3, 7, 9 Ch11: 1, 3, 6, 11

Questions and Problems Ch10: 1 - 10, 21 Ch11: 1 - 10, 11, 12, 23, 26

Class 9 (Mar 10)

Topic Risk and Return

Read RWJJ Ch 10, 11

Case #4 "Bethesda Mining"

Spring Break (Mar 15-19)

Class 10 (Mar 24)

Topic Risk and Return

Read RWJJ Ch 11, 12, 13

Concept Questions Ch12: 1, 3, 8 Ch13: 2, 6, 9, 11, 13, 2

Questions and Problems Ch12: 1 - 10, 13, 17 Ch13: none

Class 11 (Mar 31)

Topic Capital Structure and Dividend Policy

Read RWJJ Ch 14, 15

Concept Questions Ch14: 1, 4, 5, 8, 9

Questions and Problems Ch14: 1 - 8, 13, 14, 15

Class 12 (Apr 7)

Topic Capital Structure and Dividend Policy

Read RWJJ Ch 15, 16

Concept Questions Ch15: 1, 4, 5, 9 Ch16: 1, 3, 9, 11, 12, 14

Questions and Problems Ch15: 1 - 5, 8 Ch16: 1 - 7

Case #5 "The Cost of Capital for Swan Motors"

Class 13 (April 14)

Topic Short-Term Finance and Planning

Read RWJJ Ch 18

Concept Questions Ch18: 1, 2, 3, 4, 6, 7
Questions and Problems Ch18: 1, 3, 5, 8, 11

Class 14 (Apr 21)

Case #6 "Stephenson Real Estate Recapitalization"

Case #7 "Keafer Manufacturing Working Capital Management"

Class 15 (Apr 28) CELEBRATORY FINAL QUIZ

Case Assignments for In class Presentations

Team Case to Present

1	#4
2	#6
3	#2
4	#7
5	#3
6	#5