

## **FINAN 860: Managerial Finance II**

### **Fall 2008**

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## **Syllabus**

**Office Hours:** Wednesday 1 PM to 2 PM and by appointment.

### **Course Objectives:**

In this course, you will explore the financing decisions of the firm and understand the factors affecting the choice of debt versus equity financing (capital structure decisions), including a discussion of the dividend policy of the firm. Interactions between financing and investment decisions will be examined. You will also learn the basic concepts of options, and their application to corporate finance. The following list indicates the competencies that the successful student will gain from this class.

- Know the patterns of U.S. and global corporate financing, and how corporations raise external capital.
- Understand the concept of market efficiency and their implications for corporate financing decisions.
- Analyze the capital structure decision in perfect markets.
- Analyze capital structure decisions in the presence of corporate and personal taxes, costs of financial distress, and agency costs.
- Formulate capital structures for businesses.
- Apply the capital structure theories in making investment decisions for leveraged firms.
- Understand how leasing works, and be able to analyze leases.
- Understand the factors that affect the dividend policy of a firm, and set dividend policies for firms.
- Understand the basic concepts of options and their valuation.
- Apply option methodology to corporate decisions.

### **Course Materials:**

The required text is "Corporate Finance" by S. A. Ross, R. W. Westerfield and J. Jaffe, 8<sup>th</sup> Edition (2008), McGraw Hill/Irwin. In addition, there will be notes and other materials placed on the course web-site at <https://online.ksu.edu/>. Most of the notes will be in PowerPoint format, and you should print these out (no more than three slides per page) and bring them to class regularly.

### **Evaluation Criteria:**

Your grade will be based on three exams and in class quizzes. The third exam is a comprehensive final exam. Weights assigned to each component of your grade are as follows:

Component	Date	Chapters	Weight
Exam 1	9/24/2008	14,19,13	25%
Exam 2	11/12/2008	15,16,17	25%
Exam 3	12/17/2008 (7:00 to 8:50 PM)	13 to 18, and 21 to 23	40%
In Class Quizzes/Problems			10%
<b>Total</b>			<b>100%</b>

There are no make-up in class quizzes/problems. I strictly enforce my policy of no make-up exams. If you miss an exam due to an emergency situation, and if I am properly informed about prior to the exam date, I will add the weight of the missed exam to the final. Please make your travel plans so as not to conflict with the three exam dates.

### Miscellaneous:

- The last day to drop this course without receiving a "W" is **September 29, 2008**. The last day to drop this course with a "W" is **October 31, 2008**.
- Kansas State University has an Honor & Integrity System based on personal integrity, which is presumed to be sufficient assurance in academic matters one's work is performed honestly and without unauthorized assistance. Undergraduate and graduate students, by registration, acknowledge the jurisdiction of the Honor & Integrity System. The policies and procedures of the Honor & Integrity System apply to all full and part-time students enrolled in undergraduate and graduate courses on-campus, off-campus, and via distance learning. The honor system web site can be reach via the following URL: <http://www.ksu.edu/honor>
- Any student with a disability that needs a classroom accommodation, access to technology or other assistance in this course should contact Disability Support Services and/or their instructor.

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