MBA 643: Managerial Finance  
Spring 2015  
Dr. Serdar Aldatmaz

Class Meetings:  
February 02, 2014 – April 11, 2015  
Section 001: Tuesdays 6:30 pm – 10:05 pm in ARLFH 111 (Arlington)  
Section 002: Mondays 6:30 pm – 10:05 pm in MH D023 (Fairfax)  

Office:  
Enterprise Hall 238  
Office Hours:  
Tuesdays 4:30 pm – 6:00 pm and by appointment  
Office Phone:  
(703) 993-9471  
Email:  
saldatma@gmu.edu

Course Description

The objective of this course is to teach students how to apply modern financial theory to the investment and financing decisions of a corporation by providing them with the fundamental analytical tools of corporate finance.

We will start from the ground up by talking about the simple concept of time value of money and attain to a full-fledged company valuation by the end of the course. Meanwhile, we will also be focusing on topics like capital budgeting, portfolio theory, asset pricing, risk-return tradeoff, and capital structure throughout the course. Although numbers and formulas will be an important part of the course, the main goal is establishing a solid grounding in some of the basic concepts in finance and developing skills to apply those concepts into financial management and decision-making.

Class meetings will be a combination of lectures and case discussions. Each class member is expected to be well prepared for each session and to actively participate in class discussions through which I hope we can learn as much as possible in the weeks we will spend together.

Course Material

The required textbook for the course is: Ross, Westerfield and Jaffe, Corporate Finance, 10th Edition, McGraw-Hill/Irwin, 2013 (RWJ)

Although RWJ is the required textbook, I also highly recommend “Bealey and Myers, Principle of Corporate Finance” as a reference textbook. Additionally, I believe that you would greatly benefit from regular reading of the Wall Street Journal, the Economist, Business Week, Fortune, Forbes, Barron’s etc.
Grading

Your final course grade will be determined as follows:

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<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Class Participation</td>
<td>10%</td>
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<tr>
<td>Problem Set Assignments</td>
<td>10%</td>
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<tr>
<td>Case Assignments</td>
<td>20%</td>
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<tr>
<td>Midterm Exam</td>
<td>25%</td>
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<tr>
<td>Final Exam</td>
<td>35%</td>
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**Exams:** There will be an in-class midterm exam during week 6 and a comprehensive final exam at the end of week 10. Exams will be a combination of multiple choice questions and problems. Both exams will be closed book, but you will be allowed to bring in one single-sided formula sheet and to use a non-programmable calculator. I will ask you to turn-in your formula sheet with your exam. There will be no make-up exams. In the event that a student is unable to attend the midterm or the final exam, it is his/her responsibility to notify me prior to the exam and with reasonable notice. Only in extraordinary circumstances, the student may be authorized to take exams on a different date.

**Problem Set and Case Assignments:** There will be two problem set assignments to be completed individually and two case analyses to be completed as a group. You will form groups of 4-5 and work on both case assignments with the same group. All assignments must be submitted at the beginning of class on the dates specified. Late submissions will not be accepted. Group case analyses must be original work – see below for academic integrity statement. No credit will be given for unoriginal or copied work and necessary action will be taken following the honor code. There will also be peer evaluation forms for rating case group members. These ratings will guide me when assigning final case grades.

**Class Participation:** I will not take attendance; however, your attendance and participation is extremely important. You should actively participate in class discussions if you want to get a good grade for this class.

**Program-Level Learning Goal**

Analytical Decision Making: Demonstrate the ability to analyze uncertain complex management situations using appropriate tools, techniques and information systems for decision-making.

**Academic Integrity**

Students are expected to abide by the Honor Code adopted by George Mason University: [http://oai.gmu.edu/understanding-the-honor-code/](http://oai.gmu.edu/understanding-the-honor-code/). All violations of the Honor Code will be penalized in accordance with University guidelines.

**Office of Disability Services Statement**

If you are a student with a disability and you need academic accommodations, please see me and contact the Office of Disability Services (ODS) at 703-993-2474. All academic accommodations must be arranged through the ODS and I have to be notified in advance.
# TENTATIVE Course Outline

<table>
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<tr>
<th>Date</th>
<th>Topic</th>
<th>Readings/Assignments</th>
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| Week 1 (February 2 / 3) | -Introduction to Course  
                          -Time Value of Money         | RWJ 1 & 4                    |
| Week 2 (February 9 / 10) | -Time Value of Money                           | RWJ 1 & 4                    |
| Week 3 (February 16 / 17) | -Capital Budgeting                              | RWJ 5 & 6 & 7                |
| Week 4 (February 23 / 24) | -Bond and Stock Valuation Models                | RWJ 8 & 9 (& 15 & 20)        |
| Week 5 (March 2 / 3)   | -Risk & Return  
                          -Midterm Review               | RWJ 10 Problem Set 1 is due  |
| Week 6 (March 9 / 10)  | MIDTERM EXAM                                    |                              |
| Week 7 (March 16 / 17) | -CAPM                                           | RWJ 11 (& 14)                |
|                        | -Cost of Capital                                | RWJ 13                       |
| Week 8 (March 23 / 24) | -Mercury Athletic*  
                          -Capital Structure            | Mercury Athletic case analysis report is due  
                                      RWJ 16 & 17                   |
| Week 9 (March 30 / 31) | -Options                                        | RWJ 22                       |
| Week 10 (April 6 / 7)  | -Blaine Kitchenware*  
                          -Final Review                 | Blaine Kitchenware case analysis report is due  
                                      Problem Set 2 is due           |
| Week 10 (Saturday, April 11) | FINAL EXAM                                      |                              |

* The cases can be purchased from HBR at the following links:

- [Mercury Athletic Valuing the Opportunity](http://hbr.org/product/mercury-athletic-valuing-the-opportunity/an/4050-PDF-ENG)
- [Blaine Kitchenware Inc Capital Structure Brief Case](http://hbr.org/product/blaine-kitchenware-inc-capital-structure-brief-case/an/4040-PDF-ENG)