

MBAA 6070 - MANAGING FINANCIAL RESOURCES
SECTION 01
6:30PM - 10:00PM TH IN HIL 103
COLLEGE OF BUSINESS ADMINISTRATION
LOYOLA MARYMOUNT UNIVERSITY- FALL 2023

Dr. David Moore

Course Website: <http://www.davidrmoore.com/MBAA6070/home.html>

Brightspace Page: <https://brightspace.lmu.edu/d2l/home/221377>

Office Hours: In-Person: Th 4:00pm-6:00pm

Virtual: M-W 1:00-3:30pm

or by appointment

Office Hours Location: In-Person: Hilton 251

Virtual: https://calendly.com/prof_moore/virtual-office-hours

Office Phone: 310.338.5163

Cell Phone: 423.400.6578

E-mail: david.moore@lmu.edu

REQUIRED MATERIALS

1. HBS course packet: <https://hbsp.harvard.edu/import/1087832>

OPTIONAL MATERIALS

1. Ross, Westerfield, and Jordan, Fundamentals of Corporate Finance ('Connect' access is not required), McGraw-Hill Irwin, 12th ed. (11th edition is ok)
2. Ross, Westerfield, and Jordan, Essentials of Corporate Finance, McGraw-Hill Irwin, 11th ed
3. Welch, Corporate Finance, 5th Edition. Available for free: <https://corpfin.ivo-welch.info/home/>

OTHER RESOURCES

1. Financial Times subscription, free for LMU students. To register: www.ft.com/lmu.
2. Wall Street Journal subscription, \$4 a month for students. To register: <https://store.wsj.com/shop/us/us/wsjestudentsumms22>
3. Bloomberg Lab on campus. For more info see: <https://cba.lmu.edu/academics/undergrad/finance/studentssuccess/bloombergfinancelearninglab/>

COURSE PREREQUISITES

MBAA 6020 and MBAA 6030

COURSE DESCRIPTION

This course introduces students to fundamental financial decisions made by various types of organizations. The principal objective of the course is for students to develop an understanding of the basic tools of financial analysis. The topics of valuation by discounting,

long-term investment decisions, and risk and required return will be emphasized.

LEARNING OUTCOMES

This course contributes to student achievement of the following CBA core learning outcomes:

- Students will demonstrate understanding of the core concepts in finance.
- Students will accurately utilize quantitative techniques to model and evaluate business decisions.
- Students will demonstrate critical thinking skills by defining, modeling, analyzing and evaluating complex business problems

Upon completion of this course, students should successfully demonstrate the following finance course learning outcomes:

- Value a stream of cash flows, whether from a corporate project or a financial instrument, such as a stock or bond.
- Understand the relationship between risk and return and the benefits of diversification.
- Identify the relevant cash flows to evaluate an investment opportunity.
- Estimate a cost of capital (or required rate of return) for capital budgeting decisions.
- Identify the importance of a firm's capital structure, and analyze the effect of debt finance on the risk and required return of equity holders.

COURSE STRUCTURE AND INSTRUCTIONAL METHOD

This course is taught with a "flipped classroom" approach. Most lecture material will be viewed through a series of videos outside of class time. During the class period, we will be applying the concepts from the lecture videos to problems and solving those problems in small groups and then reviewing together as a class. For example, I will post a set of videos to watch before class and potentially a homework assignment due before class, then during our class time, we will meet in-person and work through the homework assignment as well as additional problems. **In order to succeed in this course structure it is vital that you watch the lecture videos before class and properly prepare for our in-class time together.** Before each module, I will email you with all the required information: which videos to watch and when, any assignments and due dates, quiz date, and any other pertinent information. This information can also be found at the end of the syllabus.

OFFICE HOURS AND MAKING AN APPOINTMENT

I will hold both in-person and virtual office hours. There is no need to schedule an appointment for in-person schedule office hours on Tuesday from 4:00pm-6:00pm. Please schedule an appointment to meet with me during Zoom virtual office hours, Monday to Wednesday from 1:00-3:30pm. Use this link to schedule a virtual office hour time slot, https://calendly.com/prof_moore/virtual-office-hours. To schedule an appointment with me outside of office hours please use this link: https://calendly.com/prof_moore/30min. You can change the last part of the url "30mins" to either "15min" or "60min" depending on how long you would like to meet. Please try to schedule with at least 24 hours notice for

non-office hours meetings, if it is urgent text or email me to set up an appointment. You may choose a virtual or in-person meeting when scheduling, some times are limited to virtual only.

TECHNOLOGY REQUIREMENTS

We will use Microsoft Excel frequently in this class. Students will need access to Excel to practice, study, complete assignments, and succeed in the course. Excel (as well as other Microsoft Office products) is free to LMU students using an LMU email address via www.office.com/getoffice365. It is recommended that you use the PC version of Excel, not the Mac version (if possible), since some of the functionality differs between the two versions. You will also need to access to Zoom to participate in the in-class portion of the course. A webcam and microphone are necessary as well. If you are having technology issues please contact ITS Service Desk (Phone: 310-338-7777 or 213-736-1097, Email helpdesk@lmu.edu or visit <https://lmu.service-now.com/servicedesk>).

EMAIL AND WEBSITE

Email is an official mean of communication for the University. My email address, david.moore@lmu.edu, is the best way to get in touch with me. E-mails received before 3:00 p.m. on a weekday generally will get a response on that day. E-mails received after 3:00 p.m. generally will receive a response by the following day. E-mails received after 3:00 p.m. Friday generally will receive response by noon on the following Monday. You are responsible for all class e-mails.

Course material can be found primarily on the course website, <https://www.davidrmoore.com/MBAA6070/home.html>. Assignment upload and grades can be found on our course Brightspace page <https://brightspace.lmu.edu/d21/home/221377>. All grades will also be individually emailed with feedback.

INTRODUCTION AND MIDTERM MEETING

You are required to attend a 10 minute meeting with me at the beginning of the semester. This will help me get know you, your goals in both this class and your career, and give you the opportunity to ask any questions you may have about the course. We will also have a meeting around midterm to evaluate your progress, identify strengths and weaknesses, and discuss how we can reach our goals the rest of the semester. You can sign up for the introductory meeting here https://calendly.com/prof_moore/meet-and-greet **You are required to submit a curriculum vitae (CV) and a one-page profile for the introductory meeting.** See https://www.davidrmoore.com/presentations/Welcome_3415.html#/2 for example of one-page profile.

QUIZZES

Studies have shown that students who take frequent quizzes instead of infrequent exams see improvements in learning and retention and as a result have higher grades (see these links for more info: [here](#), [here](#), and [here](#)). I take this approach in this course, and as a result there are no exams. There will be a total of **7** quizzes. I will automatically drop your lowest quiz score. Please note quizzes can contain questions related to information from any material covered up to that point in the class. Quizzes will be taken outside of class. Students will have a 5-day window to take the **timed** quiz. Students will have one attempt at each quiz.

Any quiz not submitted by the window deadline or the attempt deadline will result in a grade of zero on that quiz. Quizzes will be **open** notes/book and can contain both conceptual (multiple choice or short answer) and direct application (solutions to be completed in Excel). **Quizzes must be completed in allotted time.**

PROBLEM SETS AND GROUP PRESENTATIONS

There will be a series of (4) problem sets which will require the submission of an Excel file.

FINAL EXAM

In lieu of a written final exam, we will have an individual oral exam conducted either in-person or through Zoom. The exam will take place during the last week of class. The exam will take the form of a mock job interview covering topics from the semester. You can sign up for the final exam using this https://calendly.com/prof_moore/final_oral_exam link.

GRADING POLICY

Your grade will be calculated using the following breakdown:

Quizzes	50 points x 6 quizzes =	300 points
Problem sets	100 points x 4 sets =	400 points
Final Exam		300 points
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Total		1000 points

We will follow a standard grading scale:

Letter Grade	% Grade	Letter Grade	% Grade
A	>93%	C+	77.00-79.99%
A-	90.00-92.99%	C	73.00-76.99%
B+	87.00-89.99%	C-	70.00-72.99%
B	83.00-86.99%	D	60.00-69.99%
B-	80.00-82.99%	F	<60%

Your assigned grade is your earned grade. There will be absolutely no rounding up to the next letter grade if you are “close”. Please do not email at the end of the semester asking to be “bumped up a letter grade” or for any “extra credit opportunity”. There will be a 10 point penalty for anyone that asks for a grade increase at the end of the semester. **There are no outside of class extra credit opportunities.** It is my (optimistic) goal to return graded assignments before the beginning of the next class period. Remember grades are earned not given.

Dispute Policy: If you have an issue with your assigned grade on any assignment/quiz/exam, you may file a dispute. All requests must be made in writing within 24 hours of receiving the graded assignment.

TIPS TO PERFORM WELL

The course has been developed so that everyone can do well. Of course, what you do will have a big impact on your level of success. To help you out, below is a list of tips that will help you get to a successful outcome.

1. Attend the first day of class on Thursday August 31, 2023, and pay careful attention. A few students lose points later in the semester that they would not have lost had they understood everything from the first class.
2. Carefully read and understand the syllabus in the first week of the class. This is a good practice for all your courses.
3. Due to flipped nature of classroom it is vital that you prepare for each class. i.e., watch and complete all required material.
4. The goal of frequent quizzes vs exams is to promote retention and learning. That being said it is important to prepare for class each day (quiz or not).
5. Students often learn by doing. So practice outside of class by engaging with the material and with other students. This is especially important for this class.
6. The most important thing you can do in this class (and most classes) is to attend class everyday **AND** actively participate.
7. Utilize resources. I will try to offer alternative learning resources outside of class. Please use these resources. Office hours are a great resource if you are struggling with the material. Please come see me *early* when you have an issue. If you can't make it to office hours, please make an appointment. We have a course quizlet : <https://quizlet.com/join/ycpfZRXMm>, though this class is more application based. Students in the past have found the course videos very helpful.
8. If Excel is not behaving the way that you expect, it is much better to assume that it is something that you are doing wrong rather than something Excel is doing wrong. While software can occasionally misbehave, usually it is user error that causes most problems. Computers tend to be very picky about having exactly the right steps done in exactly the right order. Deviating from the correct path just a little is frequently more than current computers can take and leads to errors or problems. It is very, very important that you learn to pay careful attention to every detail. If you assume that it is a computer error, you stop trying to find the solution. If you assume that it is your error, you continue to search for the right solution.
9. When working with Excel, save your work regularly. If the software hangs or has problems you will have a saved file to go back to. Saving regularly is particularly important during exams. This is a good practice to get into whenever you use a computer. Technical issues will be dealt with on a case-by-case basis but there is no guarantee extra-time will be given.
10. Do not wait until the last minute to submit your quizzes. The software is timed so that it stops accepting submissions when the allotted time has elapsed. When the time is over, immediately complete the submission process. You will be given an additional 5 minutes to download and submit the quiz, after which the software will stop accepting submissions. Any student that does not successfully submit an quiz will receive a score of 0 on that quiz.
11. This course requires significant self discipline and therefore it is important to stay engaged with the course daily. If you are struggling, with either the material or the course structure, please reach out immediately.

FINANCE SOCIETY

Though not required as part of this course, I highly recommend you attend the weekly Finance Society meetings. The LMU Finance Society offers a free Speakers Series to learn about different careers in finance as well as other networking and learning events for all LMU students. You can find the list of weekly speakers here: <https://lmufinancesociety.com/upcoming-events/>. This is a great way to start building i) knowledge of different career paths, ii) contacts and a professional network, iii) interview skills, and iv) a summer internship. There is also the Lion Investing Society on campus: <https://www.lioninvestingsociety.com/>

ATTENDANCE POLICY

The following are acceptable reasons for excused absences: (a) serious illness of the student or serious illness of a member of the student's household or immediate family, (b) illness or death of immediate family member (For the purpose of this rule, immediate family is defined as spouse or child or parent or sibling; and grandchild or grandparent), (c) University-related trips, (d) major religious holidays, and (e) interviews for full-time job opportunities post-graduation and for graduate or professional school.

Students are required to notify the professor of absences and provide appropriate documentation two weeks prior to absences for absences that can be anticipated (e.g., for University-related trips, major religious holidays and interviews) to be eligible for a makeup.

I have the right to request appropriate verification when students claim an excused absence (e.g., an obituary that explicitly mentions your name as a relative or other additional supporting documentation that clearly identifies you as a relative). You must provide documentation as soon as possible and no later than one week after the missed quiz/class. Makeup quizzes/assignments are not offered when the documentation is late or missing.

I will not give make-up quizzes for reasons not listed above. This policy also applies to the final exam.

Due to COVID-19, students may need to miss class because of illness, quarantine, isolation or other COVID-related reasons. Please let me know immediately and we will make arrangements for your continued success in the course.

ACADEMIC INTEGRITY

Loyola Marymount University is a community dedicated to academic excellence, student-centered education and the Jesuit and Marymount traditions. As such, the University expects all members of its community to act with honesty and integrity at all times, especially in their academic work. Academic honesty respects the intellectual and creative work of others, flows from dedication and pride in performing one's own best work, and is essential if true learning is to take place. As an LMU Lion, by the Lion's Code, you are pledged to join the discourse of the academy with honesty of voice and integrity of scholarship.

Per university policy, students shall not plagiarize, cheat, or falsify or misuse academic records. Students are expected to adhere to University policy on cheating and plagiarism in all courses. **The minimum penalty for a first offense is a zero on the assignment on which the offense occurred.** If the offense is considered severe or the student has other academic offenses on their record, more serious penalties, up to suspension from the university may be imposed.

Plagiarism and cheating are serious breaches of academic conduct. Each student is advised to become familiar with the various forms of academic dishonesty in the “[Academic Honesty Policy](#)”. A plea of ignorance is not acceptable as a defense against the charge of academic dishonesty. It is important that you review this information as all ideas borrowed from others need to be properly credited.

All academic work, written or otherwise, submitted by students to their instructors or other academic supervisors, is expected to be the result of their own thought, research, or self-expression. In cases where students feel unsure about the question of plagiarism involving their own work, they are obliged to consult their instructors on the matter before submission.

When students submit work purporting to be their own, but which in any way borrows ideas, organization, wording or anything else from another source without appropriate acknowledgment of the fact, the students are guilty of plagiarism. Plagiarism includes reproducing someone else’s work, whether it be a published article, chapter of a book, a paper from a friend or some file, or something similar to this. Plagiarism also includes the practice of employing or allowing another person to alter or revise the work which a student submits as his/her own, whoever that other person may be.

When a student’s work involves research in outside sources of information, the student must carefully acknowledge exactly what, where and how he/she employed them. If the words of someone else are used, the student must put quotation marks around the passage in question and add an appropriate indication of its origin. Making simple changes while leaving the organization, content and phraseology intact is plagiaristic. However, nothing in these Rules shall apply to those ideas which are so generally and freely circulated as to be a part of the public domain.

EXPECTATIONS FOR CLASSROOM BEHAVIOR

- LMU’s Community Standards, which defines as prohibited conduct (IV.D): “Disruptive Behavior, and/or intentionally or recklessly interfering with normal University life, activities, processes or University-sponsored activities including, but not limited to: studying; teaching; research; classroom instruction; campus or residential life; University administration; judicial proceedings; or fire, police or emergency services.” More info can be found [here](#).
- The Lion’s Code (see LMU’s Community Standards)
- [Guidelines on LMU Student Classroom and Course-Related Behavior](#)
- The LMU Student Affairs brochure Disruptive and Threatening Student Behavior (Fall 2010), which states “Disruptive behavior which is persistent or significantly interferes with classroom activities may be subject to disciplinary action. A student may be referred to the Office of Student Judicial Affairs if their behavior constitutes a violation of the conduct code.” More info can be found [here](#).

RESPECT FOR SELF AND OTHERS: As an LMU Lion, by the Lion’s Code, you are pledged to join the discourse of the academy with honesty of voice and integrity of scholarship and to show respect for staff, professors, and other students.

STUDENT SELF-CARE: No matter if you are a new student or returning student, remember to prioritize your self-care. LMU has many health and wellness resources available to

support you at every step of your journey. Learn more at lmu.edu/lionwellness.

POLICY ON ACADEMIC ACCOMMODATIONS DUE TO DISABILITY

Students with special needs who require reasonable modifications, special assistance, or accommodations in this course should promptly direct their request to the Disability Support Services (DSS) Office. Any student who currently has a documented disability (ADHD, Autism Spectrum Disorder, Learning, Physical, or Psychiatric) needing academic accommodations should contact the DSS Office (Daum Hall 2nd floor, 310-338-4216) as early in the semester as possible. All discussions will remain confidential. Please visit [DSS](#) for additional information.

COLLEGE OF BUSINESS AND ADMINISTRATION MISSION

We advance knowledge and develop business leaders with moral courage and creative confidence to be a force for good in the global community. <https://cba.lmu.edu/about/mission/>

REPORTING REQUIREMENTS OF SEXUAL OR INTERPERSONAL MISCONDUCT

As “responsible employees,” faculty are required to report any case of suspected sexual or interpersonal misconduct and cannot protect student confidentiality. For information about confidential counseling on campus and for general information about consensual relationships, sexual harassment, and sexual assault, please see the [LMU Cares website](#)

EMERGENCY PREPAREDNESS

To report an emergency or suspicious activity, contact the LMU Department of Public Safety by phone (x222 or 310-338-2893) or at the nearest emergency call box. In the event of an evacuation, follow the evacuation signage throughout the building to the designated safe refuge area where you will receive further instruction from Public Safety or a Building Captain. For more safety information and preparedness tips, visit <http://www.lmu.edu/emergency>.

Tentative Course Schedule Below is our tentative schedule for the semester broken down into seven (7) modules. I will send out a detailed email with instructions for each module. Please be prepared to watch 1-2 hours of videos in preparation for each module. There may also be some reading before each module.

Module	Dates	Topics
1.Introduction, Financial Statements, and Analysis	Aug. 31	1.Introduction to Finance 2.Financial Statement Review 3.Financial Statement Analysis Quiz 1 due September 6 by 11:59pm
2.Time Value of Money	Sept. 7	1.Introduction to Valuation 2.Discounted Cash Flows Quiz 2 is September 13 due by 11:59pm
		Problem Set 1 due by September 17 by 11:59pm
3.Bond and Stock Valuation	Sept. 14	1.Interest Rates and Bond Valuation 2.Stock Valuation Optional: More on Stock Valuation Quiz 3 due September 20 by 11:59pm
		Problem Set 2 is due October 1 by 11:59pm
4.Capital Budgeting Tools	Sept. 21	1.Capital Budgeting Tools Other Student driven topics Quiz 4 September 27 by 11:59pm
5.Capital Budgeting	Sept. 28	1.Making Capital Investment Decisions Quiz 5 due October 4 by 11:59pm
		Problem Set 3 is due October 8 by 11:59pm
6.Risk and Return	October 5	1.Capital Market History 2.Return, Risk, and the SML Quiz 6 due October 11 by 11:59pm
7.Cost of Capital & Capital Structure	Oct. 12	1.Cost of Capital 2.Capital Structure Quiz 7 due October 18 by 11:59pm
		Problem Set 4 is due October 22 by 11:59pm
		Final Oral Exams from October 16-20

Disclaimer: This Syllabus and outline is tentative and I reserve the right to make changes to the course and schedule as needed and will provide ample notice to any changes made.