

**Financial Analysis**  
**Course Number: 22:430:587**  
**Course Title: Financial Management**

## **COURSE DESCRIPTION AND LEARNING OBJECTIVES**

This is an introductory course in Finance. Basic valuation of cash flow streams, interest rates, investment decision rules, risk and return trade-off are the main focus. Successful students will demonstrate...

- ...mastery of fundamental financial analysis concepts;
- ...understanding of corporate finance and ability to solve corporate finance problems related to the time value of money, basic capital budgeting, and the financing decision of the firm;
- ...comprehension of the risk-return trade-off and the importance of diversification.

### **Course Difficulty**

This is a very hands-on, fast-paced course with a lot of problem solving. Many students find themselves having to work more in this course than many non-Finance courses. Most students consider the material covered in the second half of the course more difficult.

### **Course website & Communication**

The course website will be on Canvas. Course announcements and lecture slides will also be on Canvas. I will use Canvas to send announcements, including last minute announcements. It is a good idea to download the Canvas app and turn on the notifications for announcements. You should also access the publisher's MyLab site (see below) through Canvas when the course website is available and you have a valid subscription.

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## **COURSE MATERIALS**

### **Textbook and Publisher's website**

The readings will be assigned from the following book.

• Berk, Jonathan, and Peter DeMarzo, *Corporate Finance*, any edition, Pearson;

You will also need to purchase an account on the publisher's website called [MyLab-Finance](#) . Homework assignments and the tests will be on that site. You can access the course site at the publisher through the course website on Canvas.

*Although you may be able access the publisher's site independently, your MyLab account needs to be linked to Canvas for your grades to transfer to Canvas so please access it through Canvas.*

Given the cost of textbooks, you can substitute an older edition of these books or any MBA level introductory finance book for the book above as long as you can map the assigned readings to your book. One possibility is to purchase an electronic subscription to the book's text from the publisher's website. However, be aware that that subscription expires after the course (or shortly after) so I strongly recommend you still purchase some introductory finance book that you can keep throughout your career. The material is standard and it will be useful in other courses as well.

### **Financial Calculator**

Either HP-10bII or TI-BAII Plus financial calculator is required for the exams and the problem sets. I will be using HP10bII. Apps of these calculators for cell phones are not acceptable as you will not have access to your cell phone during the exams. Pearson provides a financial calculator tab for problem sets but it may not be available for the exams.

I strongly recommend against scientific calculators even though some find them easier to use at the beginning. There are financial formulas that I don't want you to memorize but they are provided built-in in the financial calculators.

### **Software**

You may find Microsoft Excel or another spreadsheet useful.

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## **ACADEMIC INTEGRITY**

*I do NOT tolerate cheating.* Students are responsible for understanding the RU Academic Integrity Policy (<http://academicintegrity.rutgers.edu/>).

I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, "On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment." I will screen all written assignments through *SafeAssign* or *Turnitin*, plagiarism detection services that compare the work against a large

database of past work. Don't let cheating destroy your hard-earned opportunity to learn. See [business.rutgers.edu/ai](http://business.rutgers.edu/ai) for more details.

## **COURSE REQUIREMENTS**

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### **Lectures**

I expect you to attend the lectures regularly (or watch them weekly if we cannot meet in person). This is a fast-paced course and the material in later weeks build upon those in earlier weeks.

### **Readings**

They are an integral part of the course. All the readings are mandatory unless marked as 'optional'.

### **Discussion Forums**

I strongly recommend you participate in discussion forums. These will be student-led but I plan to check them frequently and participate as needed. The discussion forums are the platform for posting any questions you might have about the course. Other students may answer and elaborate further on the posted questions.

### **Problem Sets**

There will be a computerized problem set almost every week. Many questions in the midterm and the final exam will be similar to the questions in problem sets. You may study the basic material with your friends but you need to do the problem sets by yourself. The problem set grades will count towards the course grade as described below. There is no make up for problem sets but I will drop everyone's lowest two problem set grades from the calculation of course averages.

### **Midterm and Final**

Exams will be computerized and will typically contain many, short questions. Many questions will be similar to those solved in class or assigned in problem sets. There will be no partial credit available for wrong answers. The final exam will be cumulative.

I will use digital tools to prevent honor code violations whether the exams are in person or online. In particular, I may use online proctored exams using the *ProctorTrack* system or require video meeting software. ProctorTrack is a student verification tool, which provides oversight during tests similar to a human proctor in a face-to-face course. Facial recognition software tracks student movement during the exam period, and generates a report for the instructor, flagging any behavior that may violate academic integrity, such as consulting notes, searching online for answers, or consulting with another

person during the exam. Please ensure that you follow all requirements to complete the onboarding, as well as the guidelines for the actual exams.

### **Make up policy for Midterm and Final**

There will be no make-up exams. Please make sure you can take the midterm and the final exam on the assigned dates. Anyone who misses an exam for any reason other than medical emergency or other reasons recognized by the university will get zero. For anyone who misses the midterm for a university-recognized reason and has the proper documentation, the weight of the midterm will be transferred to the final exam.

*Note that the absence policy due to medical reasons without documentation is suspended for the exam. If I can offer you an online exam, you will have to take it at the designated day and time unless you have a medical documentation that specifically states that you cannot take an online exam at home. That is, medical excuses for the exams require a medical note that states that your medical condition does not allow you to take the exam online at home; a mere statement that you were seen by a doctor is not sufficient.*

### **Regrading Requests**

Any regrading request must be done in 3 business days in writing with a proper explanation. All of the exams will be subject to regrading and the total grade may go up or down at the end of regrading.

Your final grade is not subject to negotiation. If you feel I have made an error, submit your written argument to me within one week of receiving your final grade. Clarify the precise error I made and provide all due supporting documentation. If I have made an error, I will gladly correct it. But I will adjust grades only if I have made an error. I cannot and will not adjust grades based on consequences, such as hurt pride, lost scholarships, lost tuition reimbursement, lost job opportunities, or dismissals. Do not ask me to do so. It is dishonest to attempt to influence faculty in an effort to obtain a grade that you did not earn, and it will not work.

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## **GRADING POLICY**

Your course grade for the course will be based on the following.

Problem Sets: 20% Midterm: 30% Final: 50% Total: 100%

Letter grades will be awarded using the following scheme based on the course average. **There will be no 'curve'!** 90+: A 80-89: B 70-79: C 60-69: D 0-59: F

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## **COURSE SCHEDULE**

### **(Week) The Time Value of Money**

- Manual of your calculator
- Chapter 4

### **( Week ) The Time Value of Money (cont.)**

- Chapter 4 (cont.)

### **(Week) Interest Rates**

- Chapter 5

### **(Week ) Bonds**

- Chapter 6

### **(Week) Review**

- Review

### **(Week) MIDTERM**

- Midterm will be in class

### **(Week) Investment Decision Rules, Capital Budgeting**

- Chapter 7.1
- Chapter 8

### **(Week) Valuing Stocks**

- Chapter 9

### **(Week) Capital Markets and the Pricing of Risk, Brief Probability Review**

- Chapter 10, Probability Review

### **(Week) Capital Asset Pricing Model**

- Chapter 11

**(Week) Capital Asset Pricing Model (cont.)**

- Chapter 11 (cont.)

**(Week) Cost of Capital**

- Chapter 12

**(Week) NO CLASS**

- No Classes

**(Week) Review**

- Review

**(Week) FINAL**

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**SUPPORT SERVICES**

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at [ods.rutgers.edu](http://ods.rutgers.edu).

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email [dsoffice@echo.rutgers.edu](mailto:dsoffice@echo.rutgers.edu)]

[Rutgers University-Newark ODS phone (973)353-5375 or email [ods@newark.rutgers.edu](mailto:ods@newark.rutgers.edu)]

If you are *pregnant*, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email [jackie.moran@rutgers.edu](mailto:jackie.moran@rutgers.edu)]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email [TitleIX@newark.rutgers.edu](mailto:TitleIX@newark.rutgers.edu)]

If you seek *religious accommodations*, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email [deanofstudents@echo.rutgers.edu](mailto:deanofstudents@echo.rutgers.edu)]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email [DeanofStudents@newark.rutgers.edu](mailto:DeanofStudents@newark.rutgers.edu)]

If you have experienced any form of *gender or sex-based discrimination or harassment*, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: [https://cm.maxient.com/reportingform.php?RutgersUniv&layout\\_id=7](https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7) . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at [TitleIX@newark.rutgers.edu](mailto:TitleIX@newark.rutgers.edu). If you wish to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email [run.vpva@rutgers.edu](mailto:run.vpva@rutgers.edu)]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu>.

If you are a military *veteran* or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of *mental health* services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of *physical health* services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of *legal* services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to *English as a second language (ESL)* should contact the Program in American Language Studies for supports.

[Rutgers–Newark: [PALS@newark.rutgers.edu](mailto:PALS@newark.rutgers.edu)]

[Rutgers–New Brunswick: [eslpals@english.rutgers.edu](mailto:eslpals@english.rutgers.edu)]

If you are in need of additional *academic assistance*, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]