

UNIVERSITY OF MASSACHUSETTS
ISENBERG SCHOOL OF MANAGEMENT
DEPARTMENT OF FINANCE AND OPERATIONS MANAGEMENT

FOMGT 301, Fall 09, Prof. Lacey, Tuesday & Thursday 8:00 - 9:15 AM Mahar 108

310D School of Management, 545-5630, nlacey@som.umass.edu

Office Hours: Tuesday and Thursday, 10:00 – 12:00, Saturday 11 – noon.

TA: Ning Pu, SOM 226 SOM, 545-5637,

Office Hours: To Be Announced – Check the Course Website

Other TAs and Office Hours to Be Announced – Check the Course Website

Course Objectives and Prerequisites

FOMGT 301 is the introductory finance class at the Isenberg School of Management. The objectives of the course are to demonstrate the role of financial management within the corporation and to acquaint the student with the tools and terms of finance. Class time will be spent introducing topics and solving problems.

Most students in this section are SOM majors in their junior or senior year and have completed college level courses in mathematics, economics, and statistics. The formal course prerequisite is Accounting 221 (Intro to Accounting). Given the quantitative nature of the course, it is just as important that students have a working knowledge of algebra.

Course Materials

Course Website (**Required**) intra.som.umass.edu/lacey

Textbook (**Required**) Modern Corporate Finance: Theory and Practice, by Chambers and Lacey, 5th Edition, Hayden-McNeil. **Copies on reserve at the University main library.**

Course Workbook (**Required**): Available in PDF format on the course website.

Calculator (**Required**): Your calculator must have a multiple power key, a natural log key, and should have storage capability. Some might prefer to use a financial model such as the BA II Plus (my personal choice) or the HP 12C. Other popular models are the TI 81, 83, and 85. Any hand held calculator can be used on exams but all memory must be cleared.

Personal Response System (PRS) (**Suggested**): The PRS will be used to generate student responses to class questions and to earn extra credit points. We will be using the Radio Frequency type unit in this class. New and used units are sold at the Campus Bookstore.

OWL (**Required**). The course will provide homework and quizzing using the OWL (on-line web-based learning) platform. OWL can be accessed at any time from any location with a web access at OWL.OIT.UMASS.EDU

Class Attendance Policy

Attendance is required on exam days only. Students are however responsible for material covered in class including any announcements made pertaining to assignments and exams.

Course Examinations

The course will feature three examinations. The first two exams will be scheduled during the regular class period (7:45 AM – 9:15 AM) and the third exam during the final exam period. Make-up exams are offered for University accepted reasons. Make-ups are by appointment only and must be scheduled at least one-week prior to the scheduled exam. The University registrar will announce the time and place of the final exam.

Regularly scheduled exams will consist of multiple-choice questions, are machine graded, and are 90 minutes in length. Make-up exams will be largely multiple choice but may also include problem solving. All exams are closed note and closed book. A formula sheet that lists all formulas that appear in the course notes will be provided on the exam.

About two-thirds of the final exam will cover the last two course topics, and one-third will be problems on time value of money.

Student Evaluation

Examination #1: Thursday October 8, 2009, 7:45 to 9:15 AM	100 points
Examination #2: Thursday November 19, 2009, 7:45 to 9:15 AM	100 points
Examination #3: Scheduled by the Registrar	150 points
OWL Points	150 points
Course Total	500 points

OWL Assignments

OWL assignments come in three types; (1) pre-topic reviews, (2) quizzes, and (3) exam practice questions. You will have four chances to answer each OWL question. Pre-topic reviews, worth 5 points each, will close on the day and time of the first class session of that topic. Quizzes, worth 10 points each, will close on or after the last class session of that topic. Exam practice questions, worth 10 points each, will close on the day and time of our exams. OWL due dates are firm and no student will be allowed to earn OWL points beyond the deadline. The longer you wait to submit OWL responses, the greater are the chances that you'll be shut out.

Personal Response System

Students will be given an opportunity to earn PRS bonus points. PRS points are awarded only to students who (1) are present during the class period, (2) have a working PRS unit in their hand, and (3) submit a valid PRS response during the open time window. No PRS points will be awarded once the time window closes. Being present in class is necessary but not sufficient to earn points. Having a student enter a response for you with your unit will be considered academic dishonesty.

Course Grades {See “Course Letter Grades” on the Website For an Example}

Grades will be assigned based solely upon the number of points accumulated over the semester. Points come from the following categories:

Exams (Max of 350 Points): 100 points for the first exams, and 150 points for the final.

OWL Assignments (Max of 150 Points): OWL points are capped at 150 in order that students can miss parts of an assignment or whole assignments without a penalty.

PRS (Max of 75% of the semester’s PRS points). PRS bonus points are capped at 75% of the total number of PRS points offered over the semester. For example, a semester’s total of 28 PRS points defines a maximum bonus of 21 and your bonus will be your accumulated PRS points up to but not greater than 21. PRS is capped so that you can miss PRS questions and still earn maximum points.

Your course average is calculated as a percent of 500. For example, if you’ve earned 235 exam points, 145 OWL points, and 15 PRS points, your course average will be $395/500 = 78.5\%$ and your grade will be a C+ (see course letter grades on course website).

Other Course Information

1. How To Do Well In FOMGT 301: Students often ask advice on how to complete this course successfully. My best answer is to follow these seven steps:

1. Read all assigned chapters prior to class.
2. Attend each and every class,
3. Read each chapter a few more times after the material is presented in class.
4. Follow the demonstration problems behind each chapter.
5. Solve or try to solve each of the end-of-chapter problems. This is the best way to judge your understanding of the material and to prepare for exams (Remember that complete solutions to these problem sets are available on the course web site).
6. Leave yourself plenty of time to submit answers to every OWL assignment.
7. Bring your calculator to every class and to every exam. Become familiar with your calculator’s capabilities early in the semester.

2. Course Web Site: The course web site is an essential resource. Here you’ll find a class-by-class update of “What’s New,” an archive of all previous class summaries, access to excel spreadsheets, access to your exam keys, solutions to each and every problems in the text, and other important class information. Students should get in the habit of checking the site at least a few times per week in order to keep current in the class.

3. Academic Honesty: This course expects all students to obey the rules and regulations established in Undergraduate Rights and Responsibilities, and will impose the strictest penalties to those having found to violate those rules. All questions of academic honesty will be handled through the procedures discussed in this document. Students should be especially aware of the Code of Student Conduct (Trustee Doc. #T-95-095A) and the University policy on Academic Honesty. Students can view this document online:

www.umass.edu/dean_students/rights/acad_honest.htm.

FOMGT 301 at a Glance

TOPIC	TEXT	COURSE NOTES	CLASS SESSION	PRE TOPIC REVIEWS	QUIZ DUE DATES
Course Introduction		Syllabus	1		
Time Value of Money	4	Pages 5-16	2, 3, 4	Sept. 23*	Sept. 23*
Foundations of Finance	1, 3	Pages 17–20	5, 6	Sept. 24*	Sept. 29
Markets and Contracts	2	Pages 21-23	7	Sept. 29	Oct. 1
Valuation	5	Pages 24-30	8, 9	Oct. 1	Oct. 8
Exam 1: Oct. 8, 2009	1 - 5	Pages 5-30	10**		
Introduction to Options	6	Pages 31-39	11, 12, 13	Oct. 15	Oct. 27
Capital Budgeting	7, 8, 9	Pages 40–49	14,15,16, 17	Oct. 27 Nov 3	Nov 3 Nov. 10
Introduction to Risk	11	Pages 50-58	18, 19, 20	Nov 10	Nov 19
Exam 2: Nov. 19, 2009	6 – 9, 11	Pages 31–58	21***		
Financial Structure	13, 14, 15	Pages 59-66	22, 23, 24	Nov 24	Dec 8
International Finance	19	Pages 67-71	25, 26	Dec 8	TBD****
Exam #3: Finals Period	4; 13, 14, 15, 19	Pages 5-16; 59-71	Final Exam		

* Extra time given for the first quiz and the first two pre-topic reviews.

** Exam Practice Questions #1 Will Turn Off at 8:00 AM on Thursday October 8, 2009

*** Exam Practice Questions #2 Will Turn Off at 8:00 AM on Thursday November 19, 2009

****Quiz #10 and Exam Practice Questions #3 Will Turn Off at the Start of the Final Exam

The final exam will be scheduled by the University Registrar and announced at the mid-point of the semester. Two-thirds of the final exam will cover material since the second exam (Financial Structure and International Finance) and one-third will be problems from the Time Value of Money topic.