

University of Kentucky MBA

Finance 600 Corporate Financial Policy

Instructor:	Dr. Kristine W. Hankins
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Office hours	By appointment
Location:	B&E 391
Prerequisites:	Graduate standing: ECO 610, ACC 628
Credit Hours:	3
Schedule:	Tuesday / Thursday 12:30-3:00 No class: Oct 26 (fall break), Nov 25 (Thanksgiving)

Course Description: This class teaches financial management from the viewpoint of the corporate financial officer. Areas of study include time value of money, capital budgeting, capital structure, and investment under uncertainty. While the class is quantitative by nature, it requires nothing more than arithmetic and algebra. The focus of the class will be on applying corporate finance fundamentals to real world business decisions with an emphasis on valuation and capital budgeting. My aim is to balance more in-depth analysis for students focused on finance careers with a broader overview for students new to the subject.

Course Materials

- Book: *Corporate Finance* by Ivo Welch
 - o Entire book is available for free online: <http://book.ivo-welch.info/read/>
 - o Or pay to have it printed: <http://www.lulu.com/shop/ivo-welch/corporate-finance-fourth-edition/paperback/product-23192069.html>
- Calculator
- Course notes (on Canvas)
- Case studies (purchase at [Johnny Print](http://www.johnnyprint.com) or from <http://store.darden.virginia.edu>)
 - o Purinex (Case F-1491)
 - o The Jacobs Division 2010 (Case F-0243)
 - o Whole Foods Market: The Deutsche Bank Report (Case F-1776)
 - o Heinz: Estimating the Cost of Capital in Uncertain Times (Case F-1634)
 - o Fonderia del Piemonte (Case F-1764)

Participation/Class Meetings: I do not take attendance. However, class discussions are important part of the learning process. Concepts from discussions and case studies are fair game for exams. I expect everyone to participate and will “cold call” on students throughout the semester. (Please have your name tents up every day.) The goal is not to embarrass an unprepared student but to create an interactive learning environment. Moreover, this is similar to the real-world business environment where your success depends on preparation and the ability to respond immediately.

Please ask questions as they arise during class. If you have a question, there is a good chance that your classmates have a similar question as well. While participation is not graded, it is the best way for me to gauge your interest and involvement in the class. This is relevant for any future letters of recommendation.

Cases: Please use Project Connect groups. Cases have no deliverables. Content is evaluated during quizzes and exams.

Course Activities & Grading: Your course grade will be determined based on the following breakdown and may be adjusted as necessary by the instructor.

Grading

900-1000	A
800-899	B
700-799	C
0-699	E

Exams

Quizzes –November 2, November 23 November 18	200
Midterm –November 9	400
Final –December 7	400

For exams, you are allowed one hand-written 4” x 6” index card with notes.

There will be practice problems and review time before each exam.

Make-up exams for predictable, excused absences (interviews, etc.) should be scheduled in advance.

Extra Credit

Attend Gatton Women in Finance Summit on November 11 at 9am (No other options)	50 points
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Student Learning Outcomes: Upon completion of the course, students should be able to:

- Conduct discount cash flow analysis
- Utilize cost of capital and capital budgeting techniques
- Understand sensitivity and scenario analysis
- Contrast the costs and benefits of leverage
- Understand the role of uncertainty on markets and investment

University Rules

Face Coverings

The UK mask policy is found online: <https://www.uky.edu/coronavirus/fall-2021-guide>. The University expects all students to wear a mask in the classroom and academic buildings while around other people. If you forget your mask, please get one from the Deans Office (Room 317) or the Undergraduate Resource Center (Room 144). **If UK-approved face coverings are not worn over the nose and mouth, students will be asked to leave the classroom.**

Students should not move chairs or barriers in classrooms and should socially distance at all times, leaving a six foot radius from other people. Students should leave enough space when entering and exiting a room. Students should not crowd doorways at the beginning or end of class.

The instructor may choose to remove a mask when pedagogically necessary at the front of the classroom and behind a clear barrier. The instructor's mask will be replaced when it is no longer necessary to have it removed, or when the class meeting is complete.

Class Recording Notification

Meetings of this course may be recorded. All video and audio recordings of lecturers and class meetings, provided by the instructors, are for educational use by students in this class only. If posted on Canvas, they are not to be copied, shared, or redistributed.

As addressed in the Student Code of Conduct, students are expected to follow appropriate university policies and maintain the security of linkblue accounts used to access recorded class materials. Recordings may not be reproduced, shared with those not enrolled in the class, or uploaded to other online environments.

If the instructor or a University of Kentucky office plans any other uses for the recordings, beyond this class, students identifiable in the recordings will be notified to request consent prior to such use. In anticipation of such cases, students may be asked to complete an “authorization of use” form by a faculty member.

Video and audio recordings by students are not permitted during the class unless the student has received prior permission from the instructor. Any sharing, distribution, and or uploading of these recordings outside of the parameters of the class is prohibited. Students with specific recording accommodations approved by the Disability Resource Center should present their official documentation to the instructor.

All content for this course, including handouts, assignments, and lectures are the intellectual property of the instructors and cannot be reproduced or sold without prior permission from the instructors. A student may use the material for reasonable educational and professional purposes extending beyond this class, such as studying for a comprehensive or qualifying examination in a degree program, preparing for a professional or certification examination, or to assist in fulfilling responsibilities at a job or internship.

Excused Absences

Senate Rules 5.2.4.2 defines the following as acceptable reasons for excused absences: (a) significant illness, (b) death of a family member, (c) trips for members of student organizations sponsored by an educational unit, trips for University classes, and trips for participation in intercollegiate athletic events, (d) major religious holidays, (e) interviews for graduate/professional school or full-time employment post-graduation, and (f) other circumstances found to fit “reasonable cause for nonattendance” by the instructor of record. Students should notify the professor of absences prior to class when possible.

The Senate Council has interpreted excused absences to include an excuse from required in-person interactions if the student has been directed to self-quarantine by the University, a medical professional, public health professional, or government official.

Verification of Absences

Students will be asked to verify their absences in order for them to be considered excused. *Senate Rule 5.2.4.2* states that faculty have the right to request appropriate verification when students claim an excused absence due to: significant illness; death in the household, trips for classes, trips sponsored by an educational unit and trips for participation related to intercollegiate athletic events; and interviews for full-time job opportunities after graduation and interviews for graduate and professional school. (Appropriate notification of absences due to University-related trips is required prior to the absence when feasible and in no case more than one week after the absence.) Tier 1 Explanatory Statements are not excused absences for quizzes and exams.

Religious Observances

Students anticipating an absence for a major religious holiday are responsible for notifying the instructor in writing of anticipated absences due to their observance of such holidays. Two weeks prior to the absence is reasonable and should not be given any later. Information regarding major religious holidays may be obtained through the Ombud’s website or calling 859-257-3737.

Accommodations Due to Disability

If you have a documented disability that requires academic accommodations, please see me as soon as possible during scheduled office hours. In order to receive accommodations in this course, you must provide me with a Letter of Accommodation from the Disability Resource Center (DRC). The DRC coordinates campus disability services available to students with disabilities. Visit the DRC website, email the DRC, contact them by phone at (859) 257-2754, or visit their office on the corner of Rose Street and Huguelet Drive in the Multidisciplinary Science Building, Suite 407.

Academic Integrity – Prohibition on Cheating

Cheating is defined by its general usage. It includes, but is not limited to, the wrongfully giving, taking, or presenting any information or material by a student with the intent of aiding himself/herself or another on any academic work which is considered in any way in the determination of the final grade. The fact that a student could not have benefited from an action is not by itself proof that the action does not constitute cheating. Any question of definition shall be referred to the University Appeals Board.

Non-Discrimination Statement and Title IX Information

UK is committed to providing a safe learning, living, and working environment for all members of the University community. The University maintains a comprehensive program which protects all members from discrimination, harassment, and sexual misconduct. For complete information about UK's prohibition on discrimination and harassment on aspects such as race, color, ethnic origin, national origin, creed, religion, political belief, sex, and sexual orientation, please see the electronic version of UK's *Administrative Regulation 6:1* ("Policy on Discrimination and Harassment"). In accordance with Title IX of the Education Amendments of 1972, the University prohibits discrimination and harassment on the basis of sex in academics, employment, and all of its programs and activities. Sexual misconduct is a form of sexual harassment in which one act is severe enough to create a hostile environment based on sex and is prohibited between members of the University community and shall not be tolerated. For more details, please see the electronic version of *Administrative Regulations 6:2* ("Policy and Procedures for Addressing and Resolving Allegations of Sexual Assault, Stalking, Dating Violence, Domestic Violence, and Sexual Exploitation"). Complaints regarding violations of University policies on discrimination, harassment, and sexual misconduct are handled by the Office of Institutional Equity and Equal Opportunity (IEEO), which is located in 13 Main Building and can be reached by phone at (859) 257-8927. You can also visit the IEEO's website.

Faculty members are obligated to forward any report made by a student related to IEEO matters to the Office of Institutional Equity and Equal Opportunity. Students can *confidentially* report alleged incidences through the Violence Intervention and Prevention Center, Counseling Center, or University Health Services.