

BADM 7090: Financial Management
Spring 2011
Monday & Wednesday, 8:40 – 10:00, 10:10 – 11:30, 1118 Patrick Taylor
(Syllabus version: January 3, 2011)

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Course web page: On Moodle

Office hours: Monday, 1:30 – 2:30 & Thursday, 1:30 – 3:00; I am available most every afternoon and can meet in the mornings if you make an appointment.

Catalog Description: *Investment and financing decisions within the firm; role of capital markets; usefulness and limitations of financial data; cash flow projections; working capital management*

Finance is the study of the acquisition and allocation of financial resources and focuses on how to create wealth for the owners of companies. In spite of the catalog description, we will not cover some of the items mentioned above, but we will cover some other important topics not mentioned.

Warning Label: Whether you are taking finance for the first time or not, consider this:

- *To almost everyone, finance is a challenging subject. I will do my best to make it so.*
- *Finance is quantitative. There is no getting around the use of numbers when dealing with money.*
- *Learning finance will probably require your maximum effort. It is typically one of the harder courses in the MBA core.*

Course Materials

Text: Corporate Finance: Linking Theory to What Companies Do, 3rd edition, by John R. Graham, Scott B. Smart, and (LSU MBA alumnus) William L. Megginson. At the end of each chapter is a set of Questions and Problems. A solutions manual containing solutions to the end-of-chapter Questions and Problems is available for purchase at the bookstore and is highly recommended, though you may wish to share the cost with a classmate. Previously used books are not good substitutes.

Powerpoint lecture notes available on Moodle. These Powerpoint files are detailed outlines of the lectures. To some, the lectures may seem like nothing more than a reading of the Powerpoints, but consider the alternative: lectures that do not correspond to the Powerpoints or no Powerpoints, neither of which seems preferable. The Powerpoints will reduce your note-taking requirements so that you can concentrate on listening.

Publisher Resources. The publisher's web site www.cengage.com/finance/graham contains numerous study resources that I highly encourage you to use.

Financial Calculator? Not required and will not be taught. This is a skill you should teach yourself. Your calculator came with a manual, and there are excellent web resources to teach you. Consider your financial calculator like your computer, cell phone, iPod, DVD recorder, etc. Learn it the same way you learned how to use these devices.

Other. The combination of tough economic times, high market volatility, and a new administration suggests that there are likely to be a lot of important stories in the financial news. Throughout the semester, I will be alert for relevant news stories that will be assigned and can be used as a basis for exam questions.

I will also post various items and links on the Moodle web site that will be useful to you. One such item is “The 20 Principles of Financial Management,” (ignore #20 as we will not cover it in this course). This item is an excellent overview of the entire course and the major concepts you need to know.

I will communicate information to you regularly by posting announcements on Moodle so check it often. I also communicate with email so check it every day.

Quizzes and Exams

Format: There will be four in-class quizzes, each lasting about 25 minutes, and a one-hour, 20 minute mid-term exam. You can drop one quiz. The quizzes and exam are closed-book, but you can bring one 8 ½ x 11 sheet of paper with anything you want written on it (both sides). Bring a calculator, but use of the text storage feature will be violation of the code of the Code of Student Conduct (see **Integrity** below). Exams and quizzes are a mixture of problems and short answer questions. Some parts of the course are more quantitative and some more qualitative. Long and complex problems are usually broken up into separate short problems. Exams and quizzes will start on time with no allowance if you arrive late. *When I announce that the exam or quiz is over, you are required to stop writing.*

Copies of old exams and quizzes with solutions are placed online. In some cases, however, errata were found in the questions and answers. These were either corrected in class or during the grading process but may not necessarily be reflected on the answers or questions placed online. Ask if you cannot follow the answer. In addition, the order of the material has been changed this semester for the first time. Units II and III have been interchanged.

Grading and reviewing the exam/quiz: As soon as a quiz or exam is graded, the grades will be posted online and you will receive an email notifying you. **The results posted on Moodle are not official, however, as they are manually typed in and could have errata. Moodle grades will also be deleted after assignments have been returned.** (The reason I do this is because after having stated explicitly that Moodle grades are not official and do not reflect the weighting scheme I use, students repeatedly argue about their grade based on what is on Moodle.) The official grade is on your exam paper, which will be returned at the end of the next class period. I do not go over exams and quizzes in class. I post detailed answers online. If you have questions, you can certainly ask but not until you have reviewed the entire exam and the posted solutions. See the attached material on **Quiz and Exam Appeals**.

Some Valuable Advice: If you miss the class in which the quiz or exam is returned, you will need to come by my office to pick it up. I keep a record of who has not picked up exams and quizzes and that sends a bad signal. It will not affect your grade, but you should not get in the habit of sending bad signals to people who evaluate you.

Other:

- Be sure to bring blank paper (8 ½ x 11) to the exams and quizzes.
- Quizzes and exams will be pooled across the two classes and graded on a curve.
- **There will be no rescheduling of quizzes and the mid-term exam.** You must schedule other commitments around these dates. Job interviewing, including trips, is not an acceptable excuse. Acceptable excuses are nearly always medical-related. If you represent the University in some capacity that might require missing an exam, you should not be taking this course. Graduate school is your paramount priority. Only your family is more important.

Grade Determination

Your grade is determined as follows:

Mid-term exam	50
Comprehensive final exam	100
Quizzes (best three of four)	75
SMART Lab session	25

Bloomberg assignment	20
Portfolio diversification assignment	10
Exit summaries/class participation	50
First assignment	10
Appeal points (explained below)	<u>10</u>
	350

It is important that you keep a current record of your point total at all times. Do not ask me to help you figure out your grade as that is a sign that you are still acting like an undergraduate. I have a simple grading system. Assume the course has only two grades, a 100 point mid-term and a 100 point final exam. Assume an A is 90 on the mid-term and 85 on the final. That means you would need $90 + 85 = 175$ points to get an A. Repeat that procedure to determine the minimum number for a B, C, D, etc. and sum over all of the assignments. Then compare that total with your total. Note that I do not compute averages. A 90 and an 85 may average to 87.5, but I do not look at averages. My system produces the same results as one based on averaging and it cuts out one step, calculation of the average.

There are considerable differences in the difficulty of the various point categories. I expect that exam and quiz grades will be lower than grades on other items. You have plenty of opportunities to pull up your exam and quiz grades by doing all of the other assignments and your exit summaries. *There are no opportunities for extra credit.*

I reserve the right to raise or lower the threshold for each letter grade at the end of the course. The grade distribution will ordinarily not have more than 55-60% A's. (Note: This does not mean there will be at least 55% A's.) Up to 20% C's may be given. Lower grades are possible for truly horrific performance and effort. In order to comply with these restrictions I may make a curve adjustment after calculating final grades.

Projects and Assignments

There are no formal homework assignments. You are responsible for deciding whether you will do the recommended end-of-chapter problems. I believe in encouraging but not mandating the amount of homework you do. How much you choose to do beyond what is required will determine how well you do in this course and in your career. If you honestly feel, as do a few students, that you should be required to do homework and should receive credit for it, then you are thinking like an undergraduate and are not ready for a Flores MBA. A Flores MBA is a leader. Leaders do not have to be told what to do and they do not expect immediate rewards. They know that their efforts pay off over time.

Here is the recommended homework. "Q" refers to the "Questions" at the end of the chapter and "P" refers to the "Problems" at the end of the chapter.

IA: Ch. 1, Q1-7
 IB: Ch. 3, Q1-11, P1-52
 IC: Ch. 4, Q1-3, 5, 10-11, P1-2, 5-10, 14-16, 24-29
 IIA: Ch. 5, Q1-26, P3-6, 9-12, 20, 23-27
 IIB: Ch. 6, Q1-4, 6-9, 13-21, 23-25, P1-9, 12-19
 IIIA: Ch. 7, Q3-6, 8, 10-11, 14, P1-30
 IIIB: Ch. 8, Q1-14, P2, 5, 11-19, 21
 IIIC: Ch. 9, Q1, 3-6, 9-13, P1, 12-14
 IVA: Ch. 10, Q1-26, P1-9, 12-14
 IVB: Ch. 11, Q1-8; Ch. 16, Q1, 3-10; Ch. 17, Q1-9
 IVC: Ch. 15, Q1-10, P1-10, 12-18, 23-25
 IVD: Ch. 12, Q1-7, P1-10, 12-17, 19, 20-21; Ch. 13, Q1-8, P1-5, 12-13

In addition, there is a set of (optional) Supplemental Problems (with solutions) I have made up for you to work on.

There are three formal assignments. The item called “First assignment” is on the last page of this syllabus and is due immediately. It asks me for information about you. The second assignment is the Bloomberg Search Project in which you will use the Bloomberg terminal in the SMART Lab to find certain financial information items. The third is the Diversification Project in which you will simply submit some stock selections. We will then use your selections to illustrate how diversification affects a portfolio.

The Bloomberg and Diversification projects have due dates that are indicated on the documents that describe the assignments. You are encouraged to turn them in early. Nothing will be accepted after the due day, hour, and minute. There are absolutely no excuses for late assignments as I consider these assignments as equivalent to your working in a business and needing to provide information required by a client’s deadline. If you have problems meeting deadlines, simply move the deadline up. Technology problems, power failures, and similar events at the last minute do not merit an extension. In the business world, nothing should be put off until the last minute because you do not know what unforeseeable event will happen. That is the nature of risk, something you have to learn to deal with in life. So let me emphasize that anything you turn in one minute or more after the deadline will not be accepted. Anything you email in is time-stamped and will be acknowledged, but it is your responsibility to follow up within 24 hours if you do not get an acknowledgement.

There is one class activity in the SMART Lab in which we will create a financial market where you are the traders. If you miss class this day, you will have to write a paper that will require more than the amount of time necessary to do the lab exercise. It is easily doable, but the lab session is easier and considerably more enjoyable.

Class Schedule and Assignments

The course is divided into four parts, which in turn are divided into units. The units and the associated text chapters and other reading material (in parentheses) are shown below:

- I: Basic Concepts
 - A. Introduction to Finance (1) (Ch. 2 on financial statements is optional reading if you feel you need a review of this topic; it is assumed you are comfortable with the topic)
 - B. The Time Value of Money (3, plus MBATN08-01: Calculating Your Wealth, optional MBATN07-03: Derivations of Present Value Formulas, & Saving for College Case, & MBAT09-01: Summary of Present Value and Net Present Value Concepts)
 - C. The Valuation of Stocks & Bonds (4, plus MBATN10-3: The Fundamental Principle of Arbitrage)
- II: Risk and Return
 - A. Capital Markets, Risk, & Return (5, plus MBATN10-02: How the Economy Works, What Causes a Recession, and What to do About It, & MBATN07-05: Geometric and Arithmetic Rates of Return & MBATN10-01: Measuring Market Movements with Stock Indexes)
 - B. The Relationship between Risk & Return (6, plus MBATN07-06: The Capital Asset Pricing Model, Stock Pricing, and Expected and Required Returns & MBATN07-07: Margin Trading and Short Selling)
- III: Capital Investment Decisions
 - A. Foundations of Net Present Value (7, plus MBATN07-02: Some Problems with the Profitability Index & MBATN07-04: Some Problems in Capital Budgeting Terminology)
 - B. Applying the Net Present Value Rule (8, plus MBATN07-01: The Change in Net Working Capital in a Capital Investment Project, MBATN08-02: Net Present Value Analysis of the Purchase of a Hybrid Automobile, MBATN08-03: Net Present Value Analysis of Social Security)
 - C. Corporate Capital Investment under Risk (9)
- IV. Corporate Financing Policy
 - A. Market Efficiency and Financing Decisions (10)
 - B. How Firms are Financed (11, 16, 17, up to p. 558)
 - C. Dividends (15)

D. Capital Structure (12, up to p. 425, 13, up to p. 456)

The items identified as MBATNxx-xx are short teaching notes for MBA students that cover certain topics in a little more detail than in your text. They are available using the link on the Moodle site.

This schedule is a general plan and is subject to change. If we finish some material before scheduled, we will continue on to the next material.

Date	First Half of Class Period	Second Half of Class Period
W 1/19	Course Overview (first assignment due)	Unit IA
M 1/24	Unit IA	Unit IA
W 1/26	Unit IB	Unit IB
M 1/31	Unit IB	Unit IB
W 2/2	Unit IC (Bloomberg Project due)	Unit IC
M 2/7	Unit IC	Unit IC
W 2/9	Unit IC (Diversification Project due)	Unit IIA
M 2/14	Quiz 1 (Units IB & IC)	Unit IIA
W 2/16	Unit IIA	Unit IIA
M 2/21	Unit IIA	Unit IIB
W 2/23	Unit IIB	Unit IIB
M 2/28	Unit IIB	Unit IIIA
W 3/2	Quiz 2 (Units IIA & IIB)	Unit IIIA
M 3/7	No class (Mardi Gras holiday)	
W 3/9	No class (Mardi Gras holiday)	
M 3/14	SMART Lab session	
W 3/16	Unit IIIA	Unit IIIA
M 3/21	Unit IIIA	Unit IIIB
W 3/23	Quiz 3 (Units IIIA & IIIB)	Unit IIIC
M 3/28	Unit IIIC	Unit IIIC
W 3/30	Mid-term exam (Units I, II, & III)	
M 4/4	Unit IVA	Unit IVA
W 4/6	Unit IVB	Unit IVB
M 4/11	Unit IVB	Unit IVB
W 4/13	Unit IVC	Unit IVC
M 4/18	No class (spring break)	
W 4/20	No class (spring break)	
M 4/25	Unit IVC	Unit IVD
W 4/27	Unit IVD	Unit IVD
M 5/2	Unit IVD	Unit IVD
W 5/4	Quiz 4 (Units IVC & IVD)	Flexible
TBA	Final exam as scheduled by MBA office	

On assignments for which you have to turn something in by email, I suggest you a copy of your outgoing email. There are been disputes about whether something was turned in on time. If you cannot prove that you did turn it in on time, I have to assume you did not.

Class Attendance

At the end of regular class periods, you will turn in exit summaries for which you will receive credit. Everyone is allowed three missed exit summaries without penalty, and you can miss a few additional summaries and still receive an A on this part of your grade. The three misses you are allowed cover all absences, excused and unexcused. Do not expect to receive any breaks or credit for missed classes regardless of the reason. Do not inform me when you are going to miss class as it has no bearing on any aspect of this course. Be aware, however, that you are responsible for anything mentioned in class whether you are here or not, so make sure you have friends in class who can fill you in.

Some classes will have quizzes for half of the period. There are four quizzes with only three counting so I will automatically drop the lowest grade. The lowest grade can be a quiz you took or a quiz you missed for any reason. Do not inform me that you will miss a class and do not expect an additional allowance even if your excuse is a good one. Your best protection against this risk is to not blow off a quiz or skip one for no good reason. If you miss more than one quiz, I will consider counting your final exam as a quiz grade provided your reasons for missing both quizzes are good. If you have a prolonged medical problem that requires you to miss numerous classes and assignments, you need to see me as soon as that happens. I will work with you to reach a solution that will enable you to get through the course in the fairest way possible. This might involve your taking an incomplete and making it up later.

Your mid-term exam is on a Wednesday night. You must arrange to be there as there will be no make-up exam. If you have a verifiable medical excuse, your final exam will count as your mid-term exam.

Conduct Expectations

See the separate page on **Maturity and Professionalism**.

Integrity

My heavy emphasis on this matter is motivated by the fact that there has been cheating in graduate courses in business here and where I previously taught. According to a study released in 2008, 56 percent of business school students admit to having cheated, making business the professional school with the most (admitted) cheating. I do not assume cheating will occur, but I will not allow myself to be surprised if it does, and I will have zero tolerance for it if it occurs. In addition, you should remember that you are planning business careers. Enron, Arthur Andersen, WorldCom, Tyco, HealthSouth, Refco, ... are all businesses that have become synonymous with corporate scandals. Regardless of whether these companies and its executives are legally guilty, the hint of dishonesty has stained all involved and the financial world as a whole. Moreover, we cannot expect a financial system to function properly without honesty. If you cheat as graduate business students, you will cheat as business leaders. Others will cheat when dealing with you. Here are a few things to remember about people who cheat:

People who cheat in school set an example for their children. Do you want your children to cheat?

People who cheat in school set an example for the employees who work under them and their supervisors who work over them. Do you want your employees and supervisors to cheat?

Some of today's doctors and lawyers cheated in school. Are you ok with that?

Resolve to be honest because that is how you expect others to treat you.

If you have any questions about the LSU Code of Student Conduct, consult the division of Judicial Affairs at

<http://appl003.lsu.edu/slas/judicialaffairs.nsf/index>

Remember, if you lose your honor, it is almost impossible to get it back.

Other Items

Students with special dispensation from the Office of Disability Services (ODS) should see me immediately to discuss your situation. I will be glad to work with you to help you, but I expect you to be proactive in a very timely manner. Exams will be administered in compliance with their rules, but you will take the exam in our department office, not at ODS.

A class session is a private meeting between the students in this class and me. If you take this course, you are agreeing not to use any electronic recording device in class unless you receive permission from me.

About Me

Since I am going to ask you some things about yourself, here is some information about me.

I was born in and grew up in Alabama and after obtaining my B.S. from the University of Montevallo in Alabama and MBA from Ole Miss, I spent four years in banking for a bank that is now part of Regions Bank. I received my PhD from LSU and joined the Virginia Tech faculty in 1980. I spent 23 years at Virginia Tech in Blacksburg, interrupted only by a semester sabbatical at the University of North Carolina at Chapel Hill and a semester at the Virginia Tech Northern Virginia Graduate Center near Washington, DC. I joined LSU in 2003. My position here is the James C. Flores Endowed Chair of MBA Studies. My specialization is risk management. I teach the MBA core course in financial management (BADM 7090) and an elective on risk management (FIN 7400) in the spring term. My research is on derivatives and risk management, and I have authored three books on this subject. I also hold the CFA charter. I consult and conduct training programs for a number of companies, organizations, and law firms and am frequently quoted in the media. I also work as an advisor to IndexIQ, a New York-based ETF firm, and to The Governance Fund, a Minnesota-based investment management firm. My web site is <http://www.bus.lsu.edu/academics/finance/faculty/dchance/>

Some Final Words

After reading this full syllabus (especially the pages that follow), you may feel I am distant and unapproachable, but in fact the opposite is true. I invite you to come by my office, ask questions, and get to know me. I am willing to discuss any subject, academic or not, with you. I have forged some great mentoring relationships and to this day, several of my best friends are former students. Think of me somewhat like a coach. While I will not yell at you or kick you out of my class, I will tell you when you have messed up and will endeavor to set you on the right path. At the time you might not fully appreciate it, but you will someday. If you work hard and accept responsibility, I will always be your supporter.

Quiz and Exam Appeals

I recognize that errors can occur in grading an exam or quiz and points deducted can be added up incorrectly. Upon getting your exam or quiz back, many students get their emotions revved up and immediately come to me pointing at their answers and asking me what was wrong. This is a bad approach and not permitted in this class. I will not discuss any aspect of your exam for 48 hours after you get it back. If there really is a problem, it will still be there after 48 hours. You can then see me, but in all likelihood, I will simply suggest that you file an appeal. You have two weeks after the 48 hour period to make an appeal (an extension is given for the final exam).

I use an appeal system that is similar to that in college football. A team is allotted three time outs in each half. When a coach wishes to challenge the ruling of the official, the coach must call time out. After review, if the original ruling is upheld, the team is charged with a time out. If the ruling is overturned, the team is not charged with a time out. Similarly, in this course everyone is granted 10 free points out of 350 with which you can make appeals. If you make an appeal and it is denied, you lose two points. If your appeal is supported, then you do not lose the points and you earn the points you are appealing. The purpose of this rule here, as in football, is to make sure you understand that everything has a cost. Poor appeals waste the time of everyone involved. Appeals should be made only when you have examined the matter very closely and feel confident that you are correct. Any coach will tell you that they look at the video very carefully before challenging a call, because being wrong is costly. You should take appeals very seriously before you make them.

To increase the likelihood of a successful appeal, you are encouraged to do the following:

- Study the correct answer and try to understand why it is the correct answer.
- Compare the correct answer with your answer.
- Try to determine how your answer might be equivalent to the correct answer.
- Ask a classmate to evaluate your argument.

In regard to asking your classmate, however, be aware of one common mistake. In many appeals students pay little attention to the correct answer and rely more on how someone else's paper is graded. The grading on someone else's paper is completely irrelevant and *references to someone else's paper in your appeal will disqualify the appeal and you will lose the two points*. It is quite possible that the other person's paper was indeed graded incorrectly and credit given when it should not have been. That is simply an unfortunate mistake. In most cases, however, students tell me that their answer is the same as someone else's when it is almost surely not. Without submitting that person's paper, I cannot make that determination. (It is even possible that elsewhere on your paper you yourself were given credit for something that was wrong.) I cannot correct that type of mistake but it will be rare. For me to handle it otherwise would be to require that everyone's paper be re-graded.

To make your appeal, submit a copy of your entire exam along with a typed explanation of your appeal. The appeal will be reviewed independently by my teaching assistant and me. Then we will make a decision. There are no appeals of appeals.

Take your appeals very seriously. Spend some time on them. Do not do them when you are anxious and stressed.

Maturity and Professionalism for Finance Students in the Flores MBA Program

Let me first emphasize that most of you do not need to read this. You are already mature and professional. Unfortunately, there are a small number of students with a problem of not being ready for an MBA program, what more to work as a professional. That means some students are still clinging to an undergraduate mentality and a few have not advanced beyond the freshman level. This is a good time to fix this problem and the Flores MBA program and my course will help. I will endeavor to make you see that how you act is as important as how much you learn. For your benefit, I offer the following advice that I expect you to follow.

Again, let me emphasize that most of you are already mature and professional and do not need this advice. If, however, you are bothered or offended by this, either you do need this advice or you do not believe that any MBA student would need this advice. Trust me, some do.

The Flores MBA is a professional degree and not simply an accumulation of course credits. It is not merely passing exams and quizzes, writing reports, working in groups, and making presentations. It is a transition from undergraduate studies and possibly some limited professional work to a readiness to thrive as a serious and mature professional on the fast track to management. It is also a statement from the Flores MBA program that you are an acceptable representative of all of the students, faculty, and alumni.

A professional behaves in a mature manner. I wish I did not have to say this, but I have too much experience with this problem and unlike a lot of professors I refuse to ignore it. In this course some contrary examples that I occasionally encounter are students arguing, a bad attitude, and negative comments about how something is graded. Using words like “petty,” “picky,” “nit-picky,” and “unfair” are excellent examples of immaturity. Saying “I disagree” after we debate whether your answer is correct is also not a particularly good expression though there might be some situations in which you could say so respectfully. When you have years of knowledge and experience in finance, you will be in a better position to disagree or determine if I am being petty, picky, etc. Also, you may feel we are going too fast, but please do not say so. The world is not going to slow down for you and we will not either. You may also feel that some students who have a finance background have an advantage over you. In life you will have to compete with people who know more than you. That should motivate you to catch up.

Class should be treated like a business meeting. Do not be late. Some other unprofessional activities that occur in class are surfing the Internet and checking email, doing crossword puzzles, and text messaging. If you think this kind of activity is acceptable, then please do so in your first few hours on the job or perhaps even on your job interview. Cell phones are covered on the syllabus, but I repeat: turn yours off or on vibrate. Do not take a call during class or leave class to take a call. If you are have a potential emergency that might require use of a cell phone, please let me know and we can work something out.

A professional understands that one may not always get what one wants. Facing adversity and disappointment resulting from an unfavorable outcome or decision by someone else are some of the most defining moments in your lives. Handling success is easy. Handling adversity will define how successful you will become. Life will not always seem fair but unless it is a health issue, try to keep it in perspective and learn from it.

A professional understands that there will always be people above you who control your fate. In this case, that is me. I am experienced about this course, finance, the business world, and life. There is nothing you can tell me I have not already heard or encountered. You are in no position to argue with me over what is a right or wrong answer. Opportunities are there for appeals, but they must be done in the manner prescribed and not followed by rude and disrespectful comments if your appeal is denied. A

professional will not say anything in this course or outside that he would not say to a supervisor, a commanding officer, a client, a judge, an IRS auditor, a policeman, or anyone who has some power over you.

A professional recognizes that everything that person does is a reflection of the character of that person. In addition to the points already mentioned, note that emails filled with misspellings, typos, and juvenile language, such as such as “i said ...” or “u did,” are a good indication of immaturity. Of course, occasional typos do occur but pay attention to your spell checker and do not lapse into teenage-speak. Also, be aware that the tone of your language is easily misinterpreted in email. It is not possible for the recipient to hear how you are saying what you are saying. Also understand that adhering to the Flores MBA dress code is important. The clothes you put on for professional settings say much about the kind of professional you are. That is why we have the dress code. I will not be police this matter but I do strongly agree with the policy.

Agreeing to act like a professional does not constitute a revocation of your right to disagree or to even be angry. One can disagree respectfully to a point. Then I will explain myself. When I am finished, the issue is over. Your feelings may not change, but being a professional means that you will keep your thoughts to yourself. You can be frustrated or angry but do it privately.

A professional understands that deadlines are what they mean. Turning in an assignment a minute after the deadline is a late assignment. Think of the deadline as the point at which the airline gate agent will shut the door to the aircraft. If you are one minute late, you are not getting on the plane and you may have to explain why you missed a critical flight to your boss and a client. Some of your other professors may be lax in this category, but understand that I am not. Allow time for unexpected delays and you will not have this problem.

No excuses. Outside of health, there are no excuses because a professional makes no excuses. Computer problems, power outages, other commitments, and anything that is someone else’s fault or is no one’s fault is not your excuse. Also, graduate school takes priority over extra-curricular activities. Accepting responsibility is the premier mark of a professional. This point is observed repeatedly in professional athletes with class. They never blame anyone else.

A professional understands that if there is some ambiguity in instructions, that person will not interpret the instructions in such a manner that works to his advantage. As an example, if I give a deadline such as “Monday, March 12,” that person will not interpret that statement to mean by midnight that day. Asking will avoid any confusion later when your assignment is not turned in, such as by the end of the class period on March 12, and you receive a zero. I will endeavor to make deadlines clear down to the minute but ask if they are not. The most important thing you can do in this regard is not put your work off until just before the deadline, whatever you think it is. In fact, a good general rule in life is “If you’re on time, you’re late.”

Just as a coach cares more about the team than about any individual player, I care more about the Flores MBA program than about any one individual. That said, just as a coach cares about individuals, I care about you. I want you to succeed but more importantly, I want you to be a good representative of the Flores MBA program. These points are such an indication and any discussions I have with you about this are for the good of the program.

Guidelines for Exit Summaries

Exit summaries are used to encourage you to come to class by rewarding you with free and easy points, to help you pay attention, to help you learn some specific points and remember them because you wrote them down, to enable me to identify what you thought was important or worth remembering, and to help me identify mistakes I may have made in explaining things

Some people view exit summaries as an attendance requirement. The exit summaries are simply a form of silent daily class participation. Obviously they encourage attendance, but you are allowed three missed exit summaries with no penalty and you can miss a few more and still get an A on this part of your grade. Problems with prolonged illnesses will be considered on a case-by-case basis. Some students complain that they spend more time worrying about what to write for these exit summaries than in listening and taking notes. If you are listening and taking notes, you will know exactly what to write.

As a result of the allowance for missed classes, there are no excused absences. Thus, please do not tell me that you are going to miss a class in the hope that you will be allowed an additional missed exit summary. Absences are already built in to the system.

At the beginning of each class period, I will identify statements that are incorrect from the last class period (I do not identify who wrote them) and provide the correct statement. There are no penalties for incorrect statements but obviously you should try not to make erroneous statements.

1. You must write a *minimum of three complete sentences* summarizing what we covered in class. You will be penalized if you write less than three sentences and you will not receive extra credit for more than three sentences. Skip a line between each sentence. Use no equations, formulas, or calculations. Turn in a full sheet of standard-size paper (do not tear off a half page).
2. Your sentences should state *specific facts* that we have covered in class, but you should not state them using “I” or “We” as your subject and “learned” or “covered” as your verb. Example:

Wrong: Today we learned about the cost of capital.

Right: The cost of capital is the rate or return required by the firm’s suppliers of capital.

Do not quote directly from the book. In general, quoting directly without attribution is plagiarism. Also, I will not give credit for a direct quote, even with the citation. I expect you to create a statement in your own words. I am pretty good at recognizing when something is not your words. Also, you need to be absolutely sure your statements deal with topics covered in the current class period. It is very easy for me to recognize when you just flipped through the book and wrote about something that is either before or after the material we covered in the current class.

3. You can write questions, comments or other statements about the material or anything else related to the subject matter or finance in general, though these items will not count toward your three sentences. Separate these items from your summary by starting a new paragraph. I will reply by e-mail as soon as possible. This is a great way to ask questions and get answers in private. In all honesty, once you have written your three sentences, you can write anything about any subject you choose. Consider it a written free-speech alley.
4. Credit will be given only if you confirm to these rules. I keep very careful records. If you disagree on your overall today, I will expect you to tell me which days you did not turn in this assignment, so keep a record. Barring a miscount, my decision is final and is non-negotiable.
5. To help you improve your writing, look at “The Ten Most Common Writing Mistakes” at www.bus.lsu.edu/academics/finance/faculty/dchance/Instructional/TenMistakes.htm. If you make one of these mistakes, you might get an email containing the mistake number. You will be a better writer because of this.

6. Having someone else write or turn in your summary is a violation of the Honor Code. Your credit for doing these summaries is extremely valuable. *Don't blow these points.*

First Assignment (10 points)

Send me an email (dchance@lsu.edu) with the following information as a *one-page Word file attachment*. Name the file "yournameBADM7090". Give your answer to each item below with the item number shown (do not type the questions). Insert your official Flores MBA photo (or an equivalent) somewhere in the file. Do not send the photo as a separate attachment. The photo does not have to be a portrait-style photo but it should be up close and should have only you in it (you can download your official MBA photo). Skip a line between each question and do not type the question. If you do not follow these instructions, you will have to re-do it.

Except for obvious questions I have provided my own answers in italics. (Some of this information is in "About Me" above.)

1. Your name (what you want to be called by) and hometown (or wherever you say you're from). Please don't forget to put your last name.
2. Previous degrees held (degree, major field, university, year awarded)
3. Previous work experience
4. The program you are in and any specialty or concentration
5. Why you chose LSU for your graduate program (*It so happens that I too came to LSU for graduate study. I did so because I wanted to stay in the south and also my wife was working for a company that offered her a transfer to Baton Rouge. Unfortunately, they closed down the office about a year after we got here.*)
6. Your current job (employer, title, responsibilities)
7. Your career plans
8. The name of the last book you read other than a textbook or a book required for a course. *"America by Heart: Reflections on Family, Faith, and Flag" by Sarah Palin.*
9. Something interesting or unusual about yourself. This could be an unusual experience in life, a hobby, an unusual goal, or just anything out of the ordinary you're willing to tell me about yourself. *called Capital Gains, which consists of three other business professors and an MBA student (www.capitalgainsmusic.com). In the last year, I started writing music, and the band has recorded several songs I have written or co-written. I also play a little banjo, piano, and mandolin. I also have a physiological quirk in that I have no thyroid gland, a result of its complete removal in 1996 due to cancer.*10. A statement indicating that you have read the syllabus, agree to its terms, and pledge to abide by the LSU Code of Student Conduct.

Remember: Attach your photo and put all of this in a separate Word file

This assignment is obviously not hard and will not take much time. It is due by 9:00 on the day of your second class period. Otherwise, it is a major inconvenience to me and I will not hesitate to penalize you.