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**GERENCIA FINANCIERA  
FINA 3106-003**

Professor: Teresa Longobardi, PhD  
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Class: LW 2:30-3:50pm  
Office AMO200: LW 4:30-6:00pm

Last Day of Class: May 11

No class: February 15, March 21, 23

**PREREQUISITES:** FINA 3107, CONT 3106, ESTA 3041

**COURSE DESCRIPTION**

This course is an introduction to managerial finance and presents theories and tools to be used in addressing finance problems and issues with the goal of efficient management of funds that maximizes firm value. There will be an intensive study of economic theories and principles of financial management that relates them to the practices used by firms in the procurement, management and disbursement of capital funds. Topics include methods of capital acquisition, valuation of capital and financial assets and management of working capital. Lectures will be conducted in English, however students are welcome to communicate with the professor and with classmates in either English or Spanish.

**OBJECTIVES**

Upon completing the course, students will:

- possess knowledge of the importance for the company's efficient management of funds
- apply the concepts of financial planning in the short and long term
- apply some of the techniques of working capital management
- determine the cash flows associated with investment projects in financial assets and capital
- apply the concept of the time value of money
- analyze the associated risk and calculate the rate of return required for an investment in financial securities or investment projects in capital assets
- calculate the present value of investment projects in financial assets and capital
- calculate the average cost of capital and marginal cost of capital of a company or project and its impact on funding decisions
- demonstrate the impact of financial decisions on the value of the company
- understand the importance of considering the ethical aspects of financial decision making
- use the financial calculator and computer as a tool to collect and analyze financial information

### FINANCIAL CALCULATOR (Required)

The Texas Instrument BAI Plus<sup>TM</sup> is the required calculator for this course. Instructions for the use of this calculator will be provided in class. This is one of two calculators that are permitted when writing the Chartered Financial Analyst exam. You can purchase it in a store or online for between \$25 to \$50. If you have a smart phone, there is an app (called BAI Plus<sup>TM</sup>) for this calculator that costs \$14.99. However, keep in mind that you will not be allowed to use your calculator on your smart phone during any quizzes or tests. Note also that programmable calculators, such as the TI-84 Plus, will not be permitted to be used during quizzes and exams. Other financial calculators capable of calculating the *internal rate of return (IRR)*, are also acceptable, however, it will be the personal responsibility of the student to familiarize themselves with their selected calculator.

### TEXTBOOK

Gitman, Lawrence J. & Zutter, Chad J. (2015). *Principles of Managerial Finance, Brief*. 7<sup>th</sup> Edition. Boston, MA: Pearson Prentice Hall.

Hardcover:

ISBN-10: 0133546403

ISBN-13: 978-0133546408

Paperback: Global Edition

ISBN-10: 1292060107

ISBN-13: 978-1292060101

### COURSE OUTLINE

Topic	Chapters	Hours
Introduction to Managerial Finance	1, 2	1.5
Financial Statements and Ratio Analysis	3	1.5
Cash Flow and Financial Planning	4	1.5
Time Value of Money Present Values, Future Values   Annuities & Perpetuities: Regular and Growing   Interest Rate Conversions	5	9
How to Value Bonds and Stocks	6, 7	7.5
Risk and Return: The Capital Asset Pricing Model (CAPM)	8	4
Risk, Return & Capital Budgeting (WACC)	9	3.5
Some Alternative Investment Rules	10	4
Net Present Value and Capital Budgeting	11, 12	4.5
Capital Structure: Limits to the Use of Debt	13	4.5
Net Working Capital Management	14, 15	2
Options	17	1.5
	Total	45 hours

## EVALUATION

Class Participation & Conduct	5%
Pop Quizzes	15% (worst 2 will be dropped)
Assignments (bi-weekly)	15% (worst 2 will be dropped)
Test I February 17	20%
Test II March 28	20%
Test III May 11	25%
Total	100%

**GRADE SCALE**    A 90-100 | B 80-89 | C 70-79 | D 60-69 | F 0-59

**Note:** Late assignments will **NOT** be accepted. Make-up quizzes, assignments or tests will **NOT be offered** in this course. If you miss a component, you will receive a grade of zero for that component. If you have a valid medical reason (requiring medical documentation), your final grade will be computed based on a re-weighting of the remaining components.

**Formula Sheets:** Formula sheets will **not** be provided for the pop quizzes and exams. Instead, students are permitted to **bring** one 8.5 × 11 inch sheet of paper on which they can write ***formulas only*** (i.e., **no examples or notes are permitted**) **on both sides**. You should begin preparing your “formula” sheet immediately. **Formula sheets must be hand written. NO word-processed or photocopied material is allowed on your formula sheet.** Improper formula sheets will be confiscated; offending students will be allowed to complete the exam but without any formula sheet.

**Pop Quizzes:** All of equal weight. Students will not be forewarned that they will be quizzed hence the term “pop”. The intent of this component is to reward students who attend classes regularly and who study, by completing homework, consistently. If you miss a quiz, for whatever reason, you will get a grade of zero. Students that miss a quiz will have the opportunity to recover the grade since the worst two quizzes will be dropped.

**Tests and Final Exam:** All tests will be cumulative. However, the material following Test II will have 80% weight on the final exam.

**Attendance and Classroom Etiquette:** 5% of the course grade will be determined by Participation and Conduct. Attendance is mandatory and punctuality is required. The schedule for this course will require that students attend **all** lectures and that they are on time. Laptops are **not permitted** in class. Cell phones must not be used in class and the sound should be turned off. Students found texting or frequently leaving the classroom to take or make calls are disrupting the flow of the class. Students are asked to refrain from this behavior.

**MOVIE NIGHT:** Last Friday of the month from 5:00-8:00 pm.

## **WEBSITES**

<http://www.bloomberg.com>  
<http://www.efinancialnews.com>  
<http://www.ft.com/markets>  
<http://www.federalreserve.gov>  
<http://knowledge.wharton.upenn.edu>  
<http://www.yahooofinance.com>  
<http://quote.yahoo.com>  
<http://www.nasdaq.com>  
<http://www.standardandpoors.com>

## **JOURNALS**

Decisions in Economics and Finance  
Finance Research Letters  
Financial Markets and Portfolio Management  
The Financial Review  
Annals of Finance  
International Tax and Public Finance

## **CUMPLIMIENTO CON LA LEY 51**

Los estudiantes que reciban servicios de Rehabilitación Vocacional deben comunicarse con el (la) profesor(a) al inicio del semestre para planificar el acomodo razonable y equipo asistido necesario conforme con las recomendaciones de la Oficina de Asuntos para las Personas con Impedimento (OAPI) del Decanato de Estudiantes. También aquellos estudiantes con necesidades especiales que requieren de algún tipo de asistencia o acomodo, deben comunicarse con el (la) profesor(a).

## **REFERENCES (Recommended)**

- Brealey, Richard A., Allen, Franklin y Myers, Stewart C. (2009). Principles of Corporate Finance, Concise Edition. New York, NY: Mc Graw-Hill Irwin.
- Brigham, Eugene F. y Houston, Joel F. (2007). Fundamentals of Financial Management. Mason, OH: Thomson-Southwestern.
- Boatright, John R. (2008). Ethics in Finance, Blackwell Publishing.
- Melicher, Ronald W. y Norton, Edgar A. (2007). Finance: Foundations of Financial Institutions and Management. John Wiley and Sons.
- Moyer, R. Charles, McGuigan, James R. y Kretlow, William J. (2009). Contemporary Financial Management. Mason, OH: South-Western Cengage Learning.
- Ross, Stephen A., Westerfield, Randolph W., Jaffe, Jeffrey F. y Jordan, Bradford D. (2007). Corporate Finance: Core Principles and Applications. New York: McGraw-Hill/Irwin.
- Smart, Scott B. y Megginson, William L. (2008). Introduction to Financial Management. Mason, OH: South-Western Cengage Learning.
- Wall Street Journal