MBA 6220X: Financial Management

**Instructor: Prof. Anil Makhija, Department of Finance**

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# Faculty Profile

Anil K. Makhija is recognized as an expert in the field of finance, particularly capital structure, corporate governance and valuation, and has more than 25 years of experience in academic leadership roles. He chaired Fisher’s Department of Finance and served as an associate dean of executive education programs, where he was responsible for the development of Fisher’s top-ranked Executive MBA program. He also played a key leadership role in the development of the National Center for the Middle Market, serving as the center’s academic director. He was the Dean of the Fisher College of Business for ten years.

Makhija has led and participated in consulting and executive development programs for dozens of leading companies in the U.S. and in countries across the globe. He has been a featured expert in outlets such as *The Wall Street Journal*, *The Economist*, *The New York Times*, *Financial Times* and *Bloomberg Businessweek*.

He has a PhD in Business Administration (Finance) from the University of Wisconsin-Madison, an MBA from Tulane University, and a Bachelor of Technology (Chemical Engineering) from the Indian Institute of Technology, New Delhi.

# Course Description

The objective of this course is to use important topics in corporate finance (e.g., capital budgeting) to illustrate the fundamentals of financial economics. We start with a discussion of the time value of money and the discounting procedures for calculating present values. In doing so, we set the stage for the basic valuation of stocks and bonds. Our understanding of valuation is further refined when we next analyze the role of risk in the determination of discount rates.

The fundamental issue that we want to understand is what determines the value of future cash flows, whether they are cash flows an investor receives from owning a security (such as stock or bond), or cash flows a firm receives from investing in a project. Even financing is viewed from this cash flow perspective. This requires a thorough knowledge of what is meant by "risk," and how risk is priced in the capital markets - that is, the connection between risk and return. With this understanding in hand, we can examine how corporate managers should evaluate and select investment projects in order to increase the value of the firm. To determine their value, we must estimate the cash flows the project will produce and the risk of those cash flows. Similarly, we review financing decisions. Mergers and acquisitions are also discussed from a valuation perspective, although only in passing.

All the conceptual issues discussed in the course are brought together in practical settings through discussions of selected cases and application to one specific firm (preferably the one you work for).

**Prerequisites:** All students should have successfully completed EMBA Managerial Economics and EMBA Statistical Analysis, as we will be using concepts and tools covered in those courses.

# Learning Objectives

* Market Efficiency and a value-based approach
* Present value and the opportunity cost of capital; Valuation of stocks
* Evaluating investment projects: the net present value rule; Applying the net present value rule
* Risk and return: Portfolio Theory, CAPM and Estimating Discount Rates
* Capital Structure -- financing with debt and equity
* Project Analysis
* (Time-permitting, Mergers and Acquisitions)

# Required Materials

1. *Principles of Corporate Finance* by Richard A. Brealey, Stewart C. Myers, Franklin Allen and Alex Edmans (McGraw-Hill, 14th edition, 2023). This is a valuable text because it is a comprehensive reference source for corporate finance (going beyond the topics covered in this course). In this syllabus, this textbook is referred to by the abbreviation, **BMAE.**
2. *A Random Walk Down Wall Street* by Burton Malkiel, 2023.
3. *Harris Seafood Case* on capital budgeting (HBS 9-281-054), special because it covers a period of unusually high inflation in the United States.
4. *Estimating Walmart’s Cost of Capital Case* on cost of capital (HBS W19208) during a recent period.
5. On-line manual created by the instructor for basics of valuation. This self-study document is specifically designed for the learning format used in this program.
6. You are expected to read a business newspaper, such as the *Wall Street Journal* (preferred) or *Financial Times*. Current market developments will be frequently raised during the course to illustrate concepts presented in the course.

# Student Evaluation

Your grade will be based on a Final Company Report (Proxy for your Final Exam), one individual assignment (stock plot assignment), two quizzes and two group assignments (cases). There are a total of 100 points allocated as follows:

|  |  |
| --- | --- |
| Quiz 1 (**BMAE**, Ch. 1,2,3,4), valuation | 10 points |
| Quiz 2 (**BMAE**, Ch.5-10), with capital budgeting emphasis | 20 points |
| Market Efficiency (Stock Plot Assignment) (BMAE, Ch. 12) | 10 points |
| Team Case Assignment 1: Harris Seafood | 10 points |
| Team Case Assignment 2: Estimating Walmart’s Cost of Capital | 10 points |
| Final Exam: Company Financial Report (**BMAE**, Comprehensive, Ch. 1-10, 12, 17-19, 32) | 40 points |
| Total | 100 points |

It is typical to be awarded full points for the Harris and Walmart cases as long as full effort is exhibited. The idea is to generate engaging class discussion. However, you can lose points if your submission or class case presentation is weak!

I will also give a few "extra credit" points to those students who make exceptional contributions to the course by their class participation. These points may raise your grade by one grade level, e.g. A- to A, or B to B+. Participation in weekly chats will be specially noted for this item. A dramatic improvement in performance, as the course progresses, may also lead to a better grade than that suggested purely by the total points scored in the course

# Six Actionable Items: Homework/Quizzes

1. ***Self-test problems*** are embedded in every chapter of Richard A. Brealey, Stewart C. Myers, Franklin Allen and Alex Edmans (McGraw-Hill, 14th edition, 2023) or **BMAE.** Since the solutions to these problems are provided at the end of each chapter in **BMAE**, please do not submit to instructor.
2. Please participate in weekly ***off-campus chat discussions*** on topics posted by the instructor in CarmenCanvas.
3. The ***Stock Plot Assignment***, done individually, is to be submitted in CarmenCanvas.
4. Answers to ***two quizzes***, both done individually, are to be submitted in CarmenCanvas.
5. Analyses of ***two cases*** with team reports are to be submitted in CarmenCanvas.
6. ***Final Review*** (Final Exam), done individually, is to be submitted in CarmenCanvas.

# Case Analyses

Each group will be asked to write up to three typed pages of analysis on each of the two cases (a reasonable number of exhibits can be attached: max four). Guidelines for case analyses are provided below.

Case Assignment 1: *Harris Seafood Case* (Harvard Business School 9-281-054)

Case Assignment 2: *Estimating Walmart’s Cost of Capital Case* (Harvard Business School W19208)

# Guidelines for Case Write-ups

Please write no more than three typed pages of text for each of your analyses of the two assigned cases. Also, up to four exhibits are allowed. The primary purpose of the case write-ups is to prepare you to participate in the in-class discussions of the cases. These are group assignments, and you are expected to use your pre-existing groups. Each member will receive the same score, unless a compelling case is made otherwise (by other group members about the special positive or negative inputs of a particular member).

# Harris Seafood Case

The purpose of this case is to illustrate proper capital budgeting analysis. You are expected to identify the project and assign appropriate incremental cash flows. Treatment of individual items of the cash flow equation is important. Also, consider the question of the discount rate that should be used for this project, given the risk of the shrimp business and inflation assumptions. Discuss the financing possibilities raised in the case. What is the (NPV) value of the proposed project?

*Detailed instructions are provided in Session 2!*

# Estimating Walmart’s Cost of Capital

1. What is the cost of capital? Why do Dale and Lee care about the cost of capital?
2. How should Dale and Lee go about estimating the cost of long-term debt?
3. If Walmart had preferred shares, or planned to issue preferred shares, how would Dale and Lee deal with them?
4. How should Dale and Lee deal with deferred taxes?
5. How might Dale and Lee go about estimating the cost of equity?
6. What is the overall weighted average cost of capital (WACC)?
7. How does all of this relate to hurdle rates that Walmart might use?

*Detailed instructions are provided in Session 3.*

# Session 1 Details

Pre-Session Activities

Note that in weeks leading up to in-class classes there are fewer days to participate in message board discussions. Also, discussions conclude on Saturdays, so that the instructor can review the discussion on Sundays for any summative comments if applicable.

Richard A. Brealey, Stewart C. Myers, Franklin Allen and Alex Edmans (McGraw-Hill, 14th edition, 2023) or **BMAE.**

|  |  |
| --- | --- |
| Watch | Not Applicable |
| ReadJul 14 – Jul 20 | * Read on Market Efficiency from Chapter 12 of the **BMAE** textbook.
* Read Chapter 6 from Burton Malkiel's, "A Random Walk Down Walk Street."
 |
| ReadJul 21 – Jul 27 | * Skim Chapter 1 and read Chapters 2 and 3 from the **BMAE** textbook. This material covers the basics of valuation: discount rates (cost of capital), time-value of money, compounding, DCF (discounted cash flow), annuities and perpetuities (simple and growing), bond and mortgage valuation.
* "The following word document contains a self-study guide for the [Principles of Valuation](file://facstf01.ad.cob.ohio-state.edu/group%24/EMBA/EMBA%20C18%20-%20Class%20of%202019/Course%20Materials/Term_3/Mod_3/Prof.%20A.%20Makhija/Principles%20of%20Valuation.doc). It should take you about 6 to 8 hours to work through it. This investment will be amply rewarded, since after this guide you will be in a position to value many financial (and even other) instruments. The instructor has created this specifically for the course."
 |
| ReadJul 28 – Aug 3 | * Read Chapter 4 from the **BMAE** textbook. Four different stock valuation models are emphasized: general DCF stock valuation, constant dividend growth model, present value of growth opportunities (PVGO) model, and free cash flow valuation.
 |
| ReadAug 4 – Aug 7 | * Refresh in prep for class: Chapters 12 and Chapters 1 – 4 from the **BMAE** textbook, as well as Chapter 6 from Malkiel.
 |
| ApplyJul 21 – Jul 27 | *Problem-Solving:* Attempt as many self-test problems embedded in the **BMAE** chapters as time permits. Solutions are at the end of chapters.  |
| ApplyJul 28 – Aug 3 | *Problem-Solving:* Attempt as many self-test problems embedded in the **BMAE** chapters as time permits. Solutions are at the end of chapters.**Assignment:**Stock Plot -- Due on **Friday, August 1 by 11:59pm**. Submit Via WebsitePlot daily stock prices of one company of your choice for at least the past three years. It is preferred that you use the firm you work for (if stock traded), or a competitor (if stock traded). Otherwise, a company that interests you will suffice.* Using any search engine of your choice, indicate on the plot **ONE** date of a news story/announcement regarding a selected (*important-subjective*) “event”. Mark the event on the plot.
* Examine the period prior to the announcement to see if the market anticipated the news (“event”) and adjusted stock prices accordingly. Or, was the information out there already and yet the market acted surprised and adjusted prices at the time of announcement. In other words, what is the evidence for market efficiency? (Semi-strong form of market efficiency, Chapter 12, **BMAE**?)
* Your report cannot exceed two pages -- one page of text and one page of stock plots. All pages should be 8 1/2 X 11 size paper. Mark selected event on the stock plot.
* For stock plot, please see CarmenCanvas for attachment with general instructions, including source of stock price data.
 |
| ApplyAug 4 – Aug 7 | Ahead of upcoming class discussion, think of Capital Budgeting and Financing from a NPV perspective.See final exam assignment. (The stock plot you did in this interim is a part of the final exam assignment.) |
| Participate | **July 14 – July 20****Participate in online discussion No. 1:** (In Student Discussion Boards)*"Shareholder value-maximization cannot possibly work. It ignores other stakeholders. It can run counter to the behavioral motives that drive many**stakeholders. For example, managers are looking to maximize their own welfare."* |
|  | **July 21 – July 27****Participate in online discussion No. 2:** (In Student Discussion Boards)*"It is no good just telling me to maximize my stock price. I can easily take a short-term view and maximize today's price. What I would prefer is to keep it on a gentle rising trend."***July 28 – August 3****Participate in online discussion No. 3:** (In Student Discussion Boards)*"It is sometimes argued that the NPV criterion is appropriate for corporations, but it is not good for governments. First, governments must consider the time preferences of the community as a whole rather than those of a few individual wealthy individuals. Second, governments must have longer horizons than individuals, because governments are guardians of future generations."***August 4 – August 7****Quick Response No. 4:** (In Student Discussion Boards)***"****You know that far away cash flows are riskier -- so much can happen between now and then. Thus, using the same discount rate for far away cash flows as for nearby cash flows does not make sense."* |

In-Session Activities

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| Class 1 – Aug 8 8:00am – 12:00pm | Topics* Discussion on market efficiency (weak; semi-strong; strong)
* Basics of valuation (components of cost of capital)
 |
| Activities* Sample problems will be solved in class. Stylized to capture practice.
 |
| Class 2 – Aug 9 7:30am – 11:30am | Topics* Valuation of stock—4 Models (Dividend Discount; Constant Growth; PVGO; and Free Cash Flow models)
 |
| Activities* Sample problems will be solved in class.
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# Session 2 Details

Richard A. Brealey, Stewart C. Myers, Franklin Allen and Alex Edmans (McGraw-Hill, 14th edition, 2023) or **BMAE.**

Pre-Session Activities

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| Watch | Not Applicable |
| ReadAug 11 – Aug 17 | Read Chapter 5 from the **BMAE** textbook on alternative criteria for capital budgeting, such as payback and internal rate of return (IRR)**Quiz 1:** Due on **Sunday, August 17 by 11:59pm**The quiz tests material covered in Interim I and discussed during the last on-campus classes. |
| ReadAug 18 – Aug 24 | Read Chapter 6 in **BMAE**. This chapter covers the application of valuation principles to capital budgeting, including the practical aspects. These practical aspects include the estimation of cash flow in the presence of working capital, an incremental approach to defining the project itself, and making a choice between undertaking a real versus nominal analysis (dealing with inflation). |
| ApplyAug 25 – Aug 31 | *Problem-Solving:* Attempt as many self-test problems embedded in the **BMAE** chapters as time permits. Solutions are at the end of chapters. |
| ApplySep 1 – Sep 7 | *Problem-Solving:* Attempt as many self-test problems embedded in the **BMAE** chapters as time permits. Solutions are at the end of chapters.**Case Assignment 1: Harris Seafood Capital Budgeting Analysis**Team Case Assignment: Due **Sunday, September 7 by 11:59pm.**Please submit your team analysis of the Harris Seafood Case and be prepared to present your analysis in class (presenting team will be randomly picked). Please bring your PowerPoint presentation with you.**Collection of materials continued:**Since your final exam consists of applying all the topics to (preferably) the firm you work for, this is an opportunity to finish collecting necessary materials/data: last three years of annual reports, stock prices and dividends, analysts' reports on the stock, industry information, and other information  |
|  | (beyond the annual report/10K or 8Q) regarding capital budgeting and financing practices. See final exam assignment. |
| Participate | **August 11 – August 17****Participate in online discussion No. 5:** (In Student Discussion Boards)*"Internet stocks of the late 90’s were the nemesis of extant finance theory. You just cannot rationalize the prices of dot-com firms at the time with the theories we have. Prices they had a few years ago and their prices now are both hard to explain. The later Great Recession is more evidence against market efficiency. The deep drop and a robust recovery after the pandemic also raise questions about market efficiency.”***August 18 – August 24****Participate in online discussion No. 6:** (In Student Discussion Boards)*"EVA is far better than NPV. Or, is it?"***August 25 – August 31****Participate in online discussion No. 7:** (In Student Discussion Boards)"*Most firms practice some sort of rationing in their capital budgeting process. This is contrary to proper positive NPV-driven capital budgeting. They are simply throwing away value."* |

In-Session Activities

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| Class 3 – Sep 10 1:00pm – 5:00pm | Topics* Discussion on alternative criteria for projection selection
* Capital budgeting procedures and related practical issues
 |
| Activities* Sample problems will be solved in class. Stylized to capture practice
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| Class 4 – Sep 11 8:00am – 12:00pm | Topics* Taking risk into account with the Capital Asset Pricing Model. Beta riskiness versus variance risk.
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| Activities* Harris Seafood Case will be discussed in class.
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# Session 3 Details

Richard A. Brealey, Stewart C. Myers, Franklin Allen and Alex Edmans (McGraw-Hill, 14th edition, 2023) or **BMAE.**

Pre-Session Activities

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| Watch | Not Applicable |
| ReadSep 15 – Sep 21 | In preparation for on-campus classes, skim over Chapters 5, 6, 7 and 8 from the **BMAE** textbook. |
| ReadSep 22 – Sep 28 | Re-read Chapters 7, 8, and 9 from the **BMAE** textbook on using the Capital Asset Pricing Model for the determination of cost of capital, and the determination of the Weighted Average Cost of Capital based on the capital structure of the firm. |
| ReadSep 29 – Oct 5 | Read Chapter 17 from the **BMAE** textbook. This chapter discusses the effect of different financing structures on the value of the firm in a perfect world. In class, we will emphasize how imperfections (taxes, bankruptcy costs, etc.) can further influence capital structure choice and perhaps lead to "optimal" capital structure.In preparation for on-campus classes, skim over Chapters 9, 17, 18, 19 and 31 from the **BMAE** textbook. |
| ApplySep 15 – Sep 21 | **Quiz 2:** Due on **Sunday, September 21 by 11:59pm**The quiz tests material covered in Interim II and discussed during the last on-campus classes. |
| ApplySep 22 – Sep 28 | *Problem-Solving:* Attempt as many self-test problems embedded in the **BMAE** chapters as time permits. Solutions are at the end of chapters. |
| ApplySep 29 – Oct 5 | *Problem-Solving:* Attempt as many self-test problems embedded in the **BMAE** chapters as time permits. Solutions are at the end of chapters. |
| ApplyOct 6 – Oct 9 | **Case Assignment 2: Estimating Walmart’s Cost of Capital**Team Case Assignment: Due on **Sunday, October 5 by 11:59pm**Please submit your team analysis of the Estimating Walmart’s Cost of Capital Case and be prepared to present your answers to the questions below in class (presenting team will be randomly picked). Please bring your PowerPoint presentation with you.1. What is the cost of capital? Why do Dale and Lee care about the cost of capital?
2. How should Dale and Lee go about estimating the cost of long-term debt?
3. If Walmart had preferred shares, or planned to issue preferred shares, how would Dale and Lee deal with them?
4. How should Dale and Lee deal with deferred taxes?
5. How might Dale and Lee go about estimating the cost of equity?
6. What is the overall weighted average cost of capital (WACC)?
7. How does all of this relate to hurdle rates that Walmart might use?

*Guidelines for write-up*: Please write up to three typed pages of text plus exhibits. The primary purpose of the case write-ups is to prepare you to participate in the in-class discussions of the cases. These are group assignments, and you are expected to use your pre-existing groups. Each member will receive the same score, unless a compelling case is made otherwise (by other group members about the special positive or negative inputs of a particular member).**Collection of materials continued:**Since your final exam consists of applying all the topics to (preferably) the firm you work for, this is the last opportunity to collect any remaining necessary materials: last three years of annual reports, stock prices and dividends, analysts' reports on the stock, industry information, and information (beyond the annual report/10K or 8Q) regarding capital budgeting and financing practices. See final exam assignment. |

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| Participate | **Sep 15 – Sep 21****Participate in online discussion No. 8:** (In Student Discussion Boards)*"Since the cost of debt capital is lower than that of equity, we should try to issue debt rather than equity. Firms seem to be following this rule, since they show a preference for debt issuance over equity!"***Sep 22 – Sep 28****Participate in online discussion No. 9**: (In Student Discussion Boards)*"There are all sorts of risks in addition to beta risk. There's the risk that we'll have a downturn in demand, there's the risk that my best manager will drop dead, or there's the risk of a hike in steel prices. You've got to take these things into account."***Sep 29 – Oct 5****Participate in online discussion No. 10:** (In Student Message Boards)*"The investment decision for a project is unrelated to the financial health of the firm as a whole (e.g., the potential for bankruptcy for the firm, or its cost of capital)."* |

In-Session Activities

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| --- | --- |
| Class 5 – Oct 101:00pm – 5:00pm | Topics* Discussion on weighted average cost of capital
* Capital structure
 |
| Activities* Sample stylized problems will be solved in class.
 |
| Class 6 – Oct 11 7:30am – 11:30am | Topics* Brief discussion of mergers and acquisitions
 |
| Activities* *Estimating Walmart’s Cost of Capital Case* will be discussed in class.
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Post-Session Activities

**Final Exam: Submission** due **Sunday, October 26 by 11:59pm**

Collect the following information about the stock selected for your final exam:

Annual Report, particularly for the last year (and for the two prior years as well). Instead of the annual report you can also obtain the 10K submissions to the SEC. This will permit you to study the firm as of the beginning of this year. If you wish to be updated within this year, you will need quarterly information, which is in the 8Q submissions to the SEC (updating with quarterly information is optional for this exam).

From Yahoo or other sources, obtain stock price information for the last three years. If updating to recent quarters, you will need more recent data. Daily rates of return data for the stock is preferable.

Use a search engine of your choice (Lexis-Nexis, for example), to obtain major announcements. But, Yahoo Finance also contains firm news.

Use Mergent, Standard and Poor’s or Value Line for standard reporting on the firm. These are available online through the library.

With the help of a broker obtain an analyst’s report on the stock.

* (Optional): Discuss the capital budgeting and financing policies of the firm with a senior executive at the firm.
* (Optional): Depending on what comparison you wish to make (see exam below), gather comparable information on a major competitor. Similarly, if any reports are available on the industry, they can enrich your exam report.
* (Optional): Obtain the ownership information about the stock from its Proxy Statement.

Yahoo Finance also contains ownership data.

**Take Home Exam**

**Apply course concepts to an actual firm, preferably the one you work for.**

GIVEN BELOW ARE MAXIMUMS ON LENGTHS – LESS IS BETTER IF IT DOES THE JOB!

1. Provide a brief description of the scope, products, markets, and competition faced by the firm, (and optionally who owns the firm). (Under 1 page of text).
2. Make brief general statements about the likely economic prospects for the firm in light of the economy, its industry and competition. (One paragraph). (This item deserves substantial analysis of its own and is outside the scope of this report. Thus, weakness in analysis in this section is expected! Rather, the predictions will be taken as essentially assumptions about the future).
3. For the last three years or so, plot the stock price of the firm, along with a plot of the S & P 500. You have the option of also placing on the plot the index for the industry of the firm or the stock price of its major competitor (optional item). Indicate **ONE** selected important announcement on the plot. The plot is one of your exhibits. Comment on the reaction to the public announcement (at most two paragraphs about semi-strong form of market efficiency). (Optional: Estimate the auto-correlation coefficient between daily rates of return, and in a few sentences discuss implications for the weak form of market efficiency/random walk).
4. Summarize the financial health of the firm. Utilize selected accounting ratios, using the income and balance sheets (you may use the ratios from my in-class handout from the first on-campus sessions). Also, discuss price-earnings ratio (if applicable) and market-to- book ratio for the stock. Optionally, you may compare these ratios with a competitor. (Besides any exhibit, no more that 2 to 4 paragraphs).
5. Estimate the beta coefficient for the stock. Using the Capital Asset Pricing Model, estimate the cost of equity capital. Estimate WACC for the firm. (Under 1 page of text, not counting any exhibits with calculations).
6. For the stock of the firm, apply the constant dividend growth model. For estimating the rate of growth of dividends, you may apply g = (1-payout ratio)\*ROE or any other method you consider appropriate. For the discount rate, use your estimate from your use of the Capital Asset Pricing Model above. Form an estimate of the fraction of the stock price that can be attributed to present value of growth opportunities (PVGO/P0) (Under 1 page of text, again not counting any exhibits).
7. Comment on the capital budgeting policy of the firm, and the appropriateness of using the WACC across the firm. If you have access, discuss the capital budgeting procedures in place (optional). (At most, one page of text).
8. Referring to the ratio analysis above, discuss the financing structure of the firm. Optionally, compare with a competitor.
9. Obtain an analyst's report about the firm and compare with your analysis to the extent possible (2 to 3 paragraphs).
10. Conclude with any summative financial assessment of the firm, particularly if there are recommendations regarding investment and financing policies.

# Format:

* + The total length of the text of the final report must not exceed **SEVEN** pages (less will do just fine in many cases). (Please be reasonable about choice of margins, fonts, number of footnotes, etc.). There is no limit on the number of exhibits you can attach - but again please be reasonable.
	+ The entire report should be printable on regular 8 ½ x 11 paper, since some reports may be subsequently distributed on request (with student permission, of course).
	+ You may follow the above list of items of analysis in the order in which they are listed or follow an alternative presentation. At any rate, provide a **table of contents**. (Pages for title page and table of contents are not included in the page limit).

# University Academic Policies and AI for this course

1. Academic Misconduct

(from <https://oaa.osu.edu/academic-integrity-and-misconduct/student-misconduct>)

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. In the [Code of Student](http://studentaffairs.osu.edu/csc/) [Conduct](http://studentaffairs.osu.edu/csc/), Ohio State defines “academic misconduct” as “any activity that tends to compromise the academic integrity of the university or subvert the educational process." Cases of misconduct range from deliberate acts of cheating to unintended missteps, in which students fail to distinguish their work from someone else’s. Thus, students are expected to complete all academic and scholarly assignments with fairness and honesty.

By university rule, a professor must report any suspected instance of academic misconduct to the Committee on Academic Misconduct (COAM). A review panel of the committee will investigate the charges; decide whether or not a violation has occurred; and, if the panel finds there has been an offense, determine an appropriate penalty.

The Fisher College of Business has moreover adopted an Honor Code which applies to all students pursuing Fisher degrees:

*As a member of the Fisher College of Business Community, I am personally committed to the highest standards of behavior. Honesty and integrity are the foundations from which I will measure my actions. I will hold myself accountable to adhere to those standards. As a future leader in the community and business environment, I pledge to live by these principles and celebrate those who share these ideals.*

1. Disability Accommodation

(from <https://slds.osu.edu/faculty-staff/syllabus-statement/>)

The University strives to make all learning experiences as accessible as possible. If you anticipate or experience academic barriers based on your disability (including mental health, chronic or temporary medical conditions), please let the professor know immediately so that options can be privately discussed between you and the professor. To establish reasonable accommodations, you may be requested to register with Student Life Disability Services. After registration, meet with the professor to discuss your accommodations so that they may be implemented in a timely fashion.

**SLDS contact information:** slds@osu.edu; 614-292-3307; [slds.osu.edu](https://slds.osu.edu/); 098 Baker Hall, 113 W. 12th Avenue.

1. **Use of AI:*****To be discussed in class***

Use of artificial intelligence (AI)-powered programs, including but not limited to ChatGPT, for course assignments must be first discussed and permitted by the faculty instructor. The scope of use may range from not permitted (with exception of AI-powered search engines such as Google, Bing, etc.) to a broader spectrum of allowed applications. When AI-powered programs are permitted, and used by students, the scope of use and content must be specified and referenced by students accordingly.  Students are expected to be aware of the shortcomings of use of AI-powered programs, including risk of academic misconduct (e.g., plagiarism; etc.).