**Finance 303 - Section 07 (11376)**  
*Business Finance*  
Fall 2018

**Instructor**  
Dr. Mark K. Pyles

**Class**  
10:50 – 12:05 TR Beatty 218

**Office**  
Beatty 414

**Phone**  
843-953-7991 (office) 843-513-8970 (cell)

**E-mail**  
PylesM@cofc.edu

**Office Hours**  
TR: 12:30 – 1:30  
W: 11:00 – 12:00; 1:00 – 3:00  
and by appointment.

**DESCRIPTION**

This course presents the fundamental concepts of corporate finance. Special attention will be given to the financial administrator’s role in the area of working capital, capital budgeting, and financing decisions, including international investment and financial considerations.

**PREREQUISITES**

Junior Standing; ACCT 203, 204, ECON 200, 201, MATH 104 or 250; (DSCI 232 is suggested)

**OBJECTIVES**

**Course Objectives**

The overall learning objective in this course is for you to develop a framework for financial analysis that will enable you to make sound career and personal financial decisions, and prepare you for further studies in business.

Theoretical/Analytical knowledge will be developed in the areas of:

- Working capital management
- Value of the firm’s assets
- Risk and return
- Financial leverage and the cost of capital
- Capital budgeting
- Dividend policy
- International finance

Practical competencies will be developed in:

- Financial statement analysis techniques
- Time value of money calculations
- Capital budgeting analysis techniques
- Financial planning/forecasting techniques
- Stock and bond valuation techniques
- Cost of capital calculations
SB Objectives
Consistent with the goals of the School of Business, this course includes instruction in:

Quantitative Fluency: This course requires extensive application of mathematical theory and practice. Students will be required to use standard algebraic calculations to solve realistic financial questions. Students will recognize that a level of quantitative proficiency is necessary to successfully run the financial operations of a firm.

Global and Civic Responsibility: Students will be asked to solve problems related to ethical dilemmas, encapsulated in financial problems. They will be asked to view issues through difference lenses and gain an appreciation for the complexities involved in addressing financial situations in a global economy.

Intellectual Innovation and Creativity: Careful attention will be devoted to placing students in a position where they must utilize resourcefulness and creativity in solving problems related to the global financial world. Questions will be asked in ways that require the students to use the materials learned in a variety of ways, rather than simply requiring repetition of known processes.

Synthesis: This course requires knowledge from the associated disciplines of accounting, economics, and statistics. As such, students are expected to apply a level of proficiency in those subject areas in their understanding of financial principles and applications.

COURSE MATERIALS
The text is *Fundamentals of Corporate Finance* by Ross, Westerfield, and Jordan, 12/e.

Calculator
A basic scientific calculator is required. A financial calculator with functions such as present value and internal rate of return is optional, but recommended. If you buy a new one, I highly recommend the TI BA II Plus. It is inexpensive and is considered very easy to use.

COURSE POLICIES
Attendance Policy
It is unquestionably expected that each student attend and participate in all class periods, with the exception of College-supported excused absences. Attendance will be taken randomly at the instructor’s discretion and the instructor reserves the right to include this information in determining the student’s participation in the course and the corresponding grade impact (see “Assignments”).

Honor Code
Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved.

Incidents where the instructor determines the student’s actions are related more to a misunderstanding will handled by the instructor. A written intervention designed to help prevent the student from repeating the error will be given to the student. The
intervention, submitted by form and signed both by the instructor and the student, will be forwarded to the Dean of Students and placed in the student’s file.

Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Students. A student found responsible by the Honor Board for academic dishonesty will receive a XF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student’s transcript for two years after which the student may petition for the X to be expunged. The F is permanent. The student may also be placed on disciplinary probation, suspended (temporary removal) or expelled (permanent removal) from the College by the Honor Board.

Students should be aware that unauthorized collaboration--working together without permission--is a form of cheating. Unless the instructor specifies that students can work together on an assignment, quiz and/or test, no collaboration during the completion of the assignment is permitted. Other forms of cheating include possessing or using an unauthorized study aid (which could include accessing information via a cell phone or computer), copying from others’ exams, fabricating data, and giving unauthorized assistance.

Research conducted and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the instructor.

Students can find the complete Honor Code and all related processes in the Student Handbook at http://studentaffairs.cofc.edu/honor-system/studenthandbook/index.php.

Students with Disabilities
The College will provide reasonable accommodations for persons with documented disabilities. Students should apply at the Center for Disability Services/SNAP, located on the first floor of the Lightsey Center, Suite 104. Students approved for accommodations are responsible for notifying me as soon as possible and for contacting me one week before accommodation is needed.

ASSIGNMENTS
Exams
There will two non-cumulative midterm exams and a non-cumulative final worth 100 points each. Exams are given during the regular class period on the dates given in the schedule below. Please note that no make-up or early exams will be administered.

Homework
Homework will be assigned at the end of every chapter. The assignments will not be taken up for grading, but it is highly recommended that you complete them as they will provide a good indication of what to expect on tests.
Quizzes
There will be approximately 8 quizzes. Collectively, the quizzes will be worth 80 points. They will be announced in advance and will closely approximate the homework.

Class Participation
There will be 20 points available for class participation. This is purely subjective and is based on the instructor’s knowledge of your attendance and participation in the course.

GRADING
Exams (3 * 100 pts. each ) 300
Quizes (8* 10 pts. Each) 80
Class Participation 20
Total 400 Points

Letter grades are assigned as follows:
A = 90% - 100% (358-400 pts.)
B = 80% - 89% (318-357 pts.)
C = 70% - 79% (278-317 pts.)
D = 60% - 69% (238-277 pts.)
F = below 60% (below 238 pts.)
Tentative Class Schedule:

<table>
<thead>
<tr>
<th>Date</th>
<th>Chapter</th>
<th>Topic</th>
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<tbody>
<tr>
<td>Aug. 21</td>
<td>-</td>
<td>Administrative introduction</td>
</tr>
<tr>
<td>Aug. 23</td>
<td>1</td>
<td>Introduction to corporate finance</td>
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<tr>
<td>Aug. 28</td>
<td>2</td>
<td>Financial statements</td>
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<tr>
<td>Aug. 30</td>
<td>2</td>
<td>Financial statements (continued)</td>
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<td>Sept. 4</td>
<td>3</td>
<td>Working with financial statements</td>
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<td>Sept. 6</td>
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<td>Working with financial statements (continued)</td>
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<td>Sept. 11</td>
<td>5</td>
<td>Time value of money</td>
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<td>Sept. 13</td>
<td>5</td>
<td>Time value of money (continued)</td>
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<tr>
<td>Sept. 18</td>
<td>6</td>
<td>Discounted cash flow valuation</td>
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<td>Sept. 20</td>
<td>6</td>
<td>Discounted cash flow valuation (continued)</td>
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<tr>
<td>Sept. 25</td>
<td>-</td>
<td>Catch Up</td>
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<tr>
<td><strong>Sept. 27</strong></td>
<td>Exam</td>
<td>EXAM #1: Chs. 1-3, 5,6</td>
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<td>Oct. 2</td>
<td>7</td>
<td>Interest rates and bond valuation</td>
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<tr>
<td>Oct. 4</td>
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<td>Interest rates and bond valuation (continued)</td>
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<td>Oct. 9</td>
<td>8</td>
<td>Stock valuation</td>
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<td>Oct. 11</td>
<td>8</td>
<td>Stock valuation (continued)</td>
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<tr>
<td>Oct. 16</td>
<td>9</td>
<td>NPV and other investment criteria</td>
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<tr>
<td>Oct. 18</td>
<td>9</td>
<td>NPV and other investment criteria (continued)</td>
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<td>Oct. 23</td>
<td>10</td>
<td>Making capital investment decisions</td>
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<td>Oct. 25</td>
<td>11</td>
<td>Project analysis and evaluation</td>
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<td><strong>Oct. 30</strong></td>
<td>Exam</td>
<td>EXAM #2: Chs. 7-11</td>
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<tr>
<td>Nov. 1</td>
<td>12</td>
<td>Some lessons from capital market history</td>
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<td>Nov. 6</td>
<td>-</td>
<td>Fall Break (no class)</td>
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<tr>
<td>Nov. 8</td>
<td>12</td>
<td>Some lessons from capital market history (cont’d)</td>
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<tr>
<td>Nov. 13</td>
<td>13</td>
<td>Risk, return, and the SML</td>
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<td>Nov. 15</td>
<td>13</td>
<td>Risk, return, and the SML (continued)</td>
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<td>Nov. 20</td>
<td>14</td>
<td>Cost of capital</td>
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<td>Nov. 22</td>
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<td>Thanksgiving Break (no class)</td>
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<td>Nov. 27</td>
<td>14</td>
<td>Cost of capital (continued)</td>
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<td>Nov. 29</td>
<td>16</td>
<td>Capital structure policy</td>
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<td><strong>Dec. 6 (8:00)</strong></td>
<td>Exam</td>
<td>FINAL: Chs 12-14, 16</td>
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