College of Charleston  
FINC-303-09, Business Finance, Course Syllabus  
Fall 2020

INSTRUCTOR: Hao-Chen Liu, Ph.D.
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CLASS TIME: 1:40 to 2:55 p.m., Tuesdays and Thursdays
CLASSROOM:
- Online: From August 25 to September 11
- In-person: From September 14 to November 24, Education Center 116
- Online: From November 30 to December 4

OFFICE HOURS:
- Zoom online office hours:
  - Mondays and Wednesdays: 10 a.m. to 12 p.m.
  - By appointments

Course 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.

Recommended Textbooks
“Elements of Finance” by Thomas Downs. You may access the textbook in 2 ways.
2) Hard copy can be purchased at lulu.com (search for Thomas Downs, “Lessons about the Structure of Finance”)

Suggested Readings
- Wall Street Journal
  (College of Charleston offers free WSJ subscriptions to our students. If you have not yet activated your account, please visit http://wsj.com/ActivateSchool)
- GMAG/Barron’s
  Thanks to the support of New York-based wealth management firm GM Advisory Group, students at the College of Charleston School of Business now have access to Barron's digital magazine. Barron's, published by Dow Jones & Co., has been relied on by professionals and investors as the leading source for business news and financial market insights. We will be using this resource to connect real-world analysis with textbook theory. Please register to gain instant access with your @g.cofc.edu email address by visiting https://partner.barrons.com/p/p_bie/enter-
redemption-code/COCBw2rj3pdd. After registering, you can log in directly by visiting Barrons.com.

**Required Material**

Financial calculator: Texas Instruments **BAII Plus** (TI BAII Plus)

**Prerequisites**

Junior standing; ACCT 203, 204, ECON 200, 201, MATH 104 or 250, DSCI 232 suggested.

**The SB Learning Goals:**

- **COMMUNICATION SKILLS:** Students demonstrate the ability, via both written and spoken word, to effectively present, critique, and defend ideas in a cogent, persuasive manner.
- **QUANTITATIVE FLUENCY:** Students demonstrate competency in logical reasoning and data analysis skills.
- **GLOBAL AND CIVIC RESPONSIBILITY:** Students identify and define social, ethical, environmental and economic challenges at local, national and international levels. Students integrate knowledge and skills in addressing these issues.
- **INTELLECTUAL INNOVATION AND CREATIVITY:** Students demonstrate their resourcefulness and originality in addressing extemporaneous problems.
- **SYNTHESIS:** Students demonstrate the ability to integrate knowledge from multiple disciplines incorporating learning from both classroom and non-classroom settings in the completion of complex and comprehensive tasks.

**Learning Goals**

The goals of this course are for you to learn financial concepts and tools so that you may use finance to analyze financial issues and make financial decisions. You will possess quantitative skills, be aware of important ethical issues in finance, and know the following when you finish this course:

1. To know the goal of financial management and the basic decisions made by financial managers.
2. To analyze financial statements and cash flows
3. To use discounted cash flows for stock and bond valuation
4. To use alternative methods for making capital budgeting decisions
5. To calculate risk and return of investment and create a diversified portfolio
6. To estimate company’s cost of capital

**Calculator & Rounding Policy**

You will need a financial calculator to succeed in this course. I highly recommend the Texas Instruments **BAII Plus** (TI BAII Plus) (this is different from their BAII). In class, I will use and teach you to use TI BAII Plus.

If you are using a BAII Plus, turn on your calculator and do the following:
Set the display to show 4 places to the right of the decimal point
(1) Hit the gray <2nd> key; hit the “decimal point” key (it says “format” above the key)
(2) Hit the number “4” and push the <ENTER> key

Now set the machine to follow standard “Algebraic Operating System” rules so that it does multiplication and division before it does addition and subtraction.
(3) after completion of step 2, hit the down arrow key (it says INS above this key) until the display shows “Chn” or “AOS”.
(4) If it says “Chn”, then hit the gray <2nd> key and push the <ENTER> key. The display now should show “AOS”.
(5) If it says “AOS”, then hit the gray <2nd> key; hit the key right above it called CPT (it says “QUIT” above the key)

The above settings remain even if you turn off the calculator. If your battery dies or is replaced, however, you’ll need to re-do the steps.

Rounding numbers: Realize that because of differences in rounding policies it is extremely likely that any two solutions will be slightly different; say for a problem involving tens of thousands of dollars and several interest rates one student obtains an answer of $324 whereas another gets $319. With any reasonable rounding policy, however, any reasonably correct answer will lie within a 1% or 2% range (the difference between $324 and $319 is 1.02%). Answers on the multiple choice exams usually are a minimum 10% apart. So reasonable rounding policies should not cause one to get a problem wrong. Here is the rounding policy that I use. For rates, carry four-digits to the right of the decimal. For example, I would use 0.0102 in my calculator for problems in which an intermediate step is 1.02%. For dollars, I usually round to the whole dollar when the amounts exceed $100; round to the penny for amounts less than $100.

**Grade Determination**

Your Overall Performance Score computes with these weights:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam 1</td>
<td>20%</td>
</tr>
<tr>
<td>Exam 2</td>
<td>20%</td>
</tr>
<tr>
<td>Exam 3</td>
<td>20%</td>
</tr>
<tr>
<td>Comprehensive Final Exam</td>
<td>20%</td>
</tr>
<tr>
<td>Quiz average</td>
<td>15%</td>
</tr>
<tr>
<td>Wildcard for best all-around performance</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The wildcards increase the importance of your best scores. Weekly quizzes will be administered.

The Overall Performance Score computes with this letter grade distribution:

- $92.0 \leq$ average $\Rightarrow$ A
- $72.0 \leq$ average $< 77.0$ $\Rightarrow$ C
- $89.5 \leq$ average $< 92.0$ $\Rightarrow$ A-
- $69.5 \leq$ average $< 72.0$ $\Rightarrow$ C-
Exam and Quiz Policies:

(1) Quiz
- Quiz will be given regularly either online during the online period or in-class when the campus is reopened. Online quiz questions will be posted on Oaks. In-class quiz question will be announced at the end of each class.
- Students missing a quiz for any reason whatsoever receive a zero on that quiz. No make-up quizzes will be given.
- No formula will be provided for quiz question. You must show complete work including the right formula to receive full credit.
- Two lowest scored quizzes will be dropped at the end of the semester.

(2) Exam
- Exams 1, 2, and 3 will be given during class time.
- Each of the exams will consist of 2 parts. Part I includes numerical problems in multiple choice format. Part II includes short answer, filling the blank, true/false, and simple calculation questions.
- Final exam will be given online. It will be in multiple choice format and consists of both numerical and verbal problems.
- Some of the questions will be selected from a list of Common Questions distributed for each exam. These questions are from the textbook and class discussion. The Common Questions appearing on the test will have different numbers than the ones in the book. The remaining multiple choice questions might cover any aspect of the class material.
- Exams are administered during class time and therefore time conflicts should not occur. If extenuating circumstances cause you to miss an exam then you, or your designee, must contact me by the end of exam day. If no contact is made then your exam grade automatically is "F" (zero). If you make contact as specified above and I determine the reason for missing the exam is deemed valid, then you may use the final exam as a replacement for the missed exam(s).
- At the end of semester, you may use your final exam as a replacement for one of the lowest scored exams. However, if you miss at least one of the exams 1, 2, and 3, final exam will be used to replace your missed exam(s) only.
- A formula sheet is provided during each exam; you may NOT bring your own. The formula sheet for each exam is the same as the one attached to the Common Questions distributed for each exam.

(3) Exam and quiz appeal:
To appeal your grade on a quiz or exam, contact me within 3 class days of the general return of the quiz/exam. Your grades on assessments prior to the final should be
discussed before you take the final. After the final exam, the only issue on the table for discussion is the final exam itself.

**Attendance Policy**

Even though we are under a pandemic, your attendance is still expected. If you do not feel well for whatsoever reason, please stay home and seek medical assistance if necessary. Our lectures will be recorded and posted on Oaks. Your wellness is our highest priority.

**Other Important Issues**

1. **Email policy:**
   I will respond only to emails sent through student email accounts (i.e., cofc account). On the email subject line, put “FINC-303”. Email received after 3 p.m. will not be replied until next working day. If you do not receive my reply by the next working day, send it again.

2. **Announcements:**
   It is your responsibility to check with your fellow students or me on any announcement made in class or on Oaks if you miss the class.

3. **Cell phone:**
   Please silent all cell phones or any communication devises when class/exam is in session. If you have any special need which requires using electronic devises during class/exam, come see me.

4. **Oaks:**
   OAKS, including Gradebook, will be used for this course throughout the semester to provide the syllabus and class materials and grades for each assignment, which will be regularly posted.

5. **Continuity of Learning:**
   Due to social distancing requirements, this class will include a variety of online and technology enhanced components to reinforce continuity of learning for all enrolled students. Before the drop/add deadline, students should decide whether the course plan on the syllabus matches their own circumstances.

6. **Recording of Classes (via Zoom):**
   Class sessions will be recorded via both voice and video recording. By attending and remaining in this class, the student consents to being recorded. Recorded class sessions are for instructional use only and may not be shared with anyone who is not enrolled in the class.

7. **Disability/Access:**
   This College abides by section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act. If you have a documented disability that may have some impact on your work in this class and for which you may require accommodations, please contact an administrator at the Center of Disability Services/SNAP, 843.953.1431 or me so that such accommodation may be arranged. [http://disabilityservices.cofc.edu/](http://disabilityservices.cofc.edu/)

8. **Inclement Weather, Pandemic or Substantial Interruption of Instruction:**
If in-person classes are suspended, faculty will announce to their students a detailed plan for a change in modality to ensure the continuity of learning. All students must have access to a computer equipped with a web camera, microphone, and Internet access. Resources are available to provide students with these essential tools.

**Important Dates**

1. Exam dates:
   - Exam 1: Thursday, September 17
   - Exam 2: Thursday, October 22
   - Exam 3: Tuesday, November 24
   - Comprehensive Final: 1 p.m. to 3 p.m., Tuesday, December 8
2. Last day to Drop/Add: Monday, August 31
3. Attendance verification: Tuesday, September 15
4. Last day to withdraw with a “W”: Wednesday, October 28
5. Election Day (No class): Tuesday, November 3
6. Last day for on-campus instruction: Tuesday, November 24
7. Thanksgiving Holiday (No class): Wednesday, November 25 to Sunday, November 29
8. Online instruction week: Monday, November 30 to Friday, December 4
9. Last class: Thursday, December 3

**Brief List of Topics (chapter coverage is subject to change)**

- **Chapter Description**
  - Chapter 1: Introduction to the study of finance
  - Chapter 2: Financial fundamentals of accounting
  - Chapter 3: Accounting for growth

  **EXAM 1**
  - Chapter 4: Time value and relations between returns
  - Chapter 5: Future and present values of annuities
  - Chapter 6: Time value application 1: Capital budgeting

  **EXAM 2**
  - Chapter 7: Time value application 2: Bond valuation
  - Chapter 8: Time value application 3: Stock valuation
  - Chapter 10: Measuring risk, return, and diversification benefits
  - Chapter 11: Determination of equilibrium returns

  **EXAM 3**

  **COMPREHENSIVE FINAL**

**Institutional Syllabus Statement Regarding the Fall 2020 Semester**
The College of Charleston is committed to promoting the health and safety of our campus community. To that end, all faculty and students must abide by public health guidelines that include practicing social distancing in the classroom and elsewhere on campus, following signage indicating the entrance, exit, and traffic flow in and around campus buildings, wearing a mask or cloth face covering while in the presence of others, washing or sanitizing hands frequently, sanitizing individual and shared learning and work spaces, and staying home when sick. These practices are mandatory. Students will not be allowed to attend class without an appropriate face covering or when showing symptoms of illness.

Due to social distancing requirements, the number of students allowed in the classroom at one time is significantly reduced. As a result, most in-person courses will include a variety of online and technology enhanced components to ensure continuity of learning for each student throughout the semester. These strategies will vary by course section and students are advised to read each syllabus carefully. Faculty have planned each course to enable all students, whether they are in the classroom or working remotely, to be fully engaged in the learning experience. Before the drop/add deadline, students should decide whether the course plan on the syllabus matches their own circumstance. All faculty will use OAKS to facilitate student access to the course syllabus, course materials, and the gradebook. The College of Charleston’s standard grading system is in effect.

There is a possibility that the semester will be disrupted by weather or the pandemic. Every course syllabus will include a plan for a change in modality to ensure the continuity of learning in the event in-person classes must be suspended. Regardless of the method of instruction, all courses will move online for one week after Thanksgiving. Final exams will be administered online. Therefore, all students must have access to a computer equipped with a web camera, microphone, and Internet access. Resources are available to provide students with these essential tools.

The College anticipates that some members of the community will fall ill or test positive for the coronavirus, and then be required to quarantine thereby missing class, assignments, and assessments. Faculty are expected to provide reasonable accommodations as determined by the content, level, and expectations of their courses for students who become ill or indicate a need to isolate themselves. To the extent possible, arrangements will be made for students with COVID-19 related absences to continue in the class. Faculty are encouraged to make explicit in their syllabus what sorts of accommodations students can expect with respect to missed course meetings, assignments, and assessments. However, students should be aware that extended absences for any reason cannot be accommodated in every course. Missed assignments and assessments may result in poor or failing grades. If a student is absent from class for an extended period, a withdrawal (W) before the deadline should be strongly considered. In all cases, assigning course grades is the responsibility of the instructor consistent with the grading policy published on the syllabus.

**College of Charleston Honor Code and Academic Integrity**

“Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when suspected, 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 misunderstanding and confusion will be handled by the instructor. The instructor designs an intervention or assigns a grade reduction to help prevent the student from repeating the error. The response is recorded on a form and signed both by the instructor and the student. It is forwarded to the Office of 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 XXF in the course, indicating failure of the course due to academic dishonesty. This status indicator will appear on the student’s transcript for two years after which the student may petition for the XX to be expunged. The F is permanent.

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