FINC 303: Business Finance  
FINC 303-09  
College of Charleston  
Course Syllabus  
Spring – 2020

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Class Time/Classroom: Tuesdays & Thursdays 8:00am - 9:15am, Tate Center, Room 133  
Office Hours: Mondays & Wednesdays 9:00am – 12:00pm, or by appointment

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Introduction

After a career in banking and investment management, I have been on both sides of the corporate finance relationship. I’m looking forward teaching the theory and making it real through my experiences.

This is a critical course for anyone interested in business management in a for-profit or non-profit organization of any size. These basic principles and techniques will apply across the board.

Looking forward to taking this journey together.

The course

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.

Textbook


Web address for Connect:

https://connect.mheducation.com/class/t-ruppel-spring-2020-tt-800---915-am

Note: You must have a Connect account for this course. Your homework will be assigned via Connect, and quizzes may be given via Connect. A Connect representative will be on hand at the first class, January 9, to get you registered.

Tools

We will use OAKS for scheduling, announcements and posting class materials. The URL for the course is https://cofc.brightspace.com/d2l/home/229260

A financial calculator will be required for quizzes and exams. A Texas Instruments BAII Plus is recommended but any calculator that will perform time value of money calculations will work. Please bring the calculator to class every day. You should also understand how to use a spreadsheet (Excel, Google Sheets, Pages, etc.) for calculations.

Prerequisites

Junior standing; ACCT 203 & 204; ECON 200 & 201; MATH 104 or 250; DSCI 232 is suggested
Learning & evaluation

Learning Objectives

School of Business mission statement
The School of Business provides a quality education for its students by ensuring that they have the knowledge, skills and experiences to effectively and responsibly address business challenges.

Consistent with this mission statement, 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, whether you own it or work in it.

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 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 to prepare you for further studies in business.

Theoretical/analytical knowledge will be developed in:
- Working capital management
- Value of the firm’s assets
- Risk and return
- Financial leverage and the cost of capital
- Capital budgeting
- Dividend policy

Practical competence 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
Learning Outcomes

Based on the overall course learning objective of developing a framework for financial analysis, the specific learning outcomes that you can expect to achieve at the end of this course include:

- Demonstrate a thorough understanding of the composition and significance of financial information presented on income statements and balance sheets
- Utilize information contained within the historical financial statements to perform ratio analysis to evaluate the financial position of a company including its solvency, profitability, leverage, and market value
- Solve time value of money calculations for present value, future value, interest rates, time periods, and payments using a financial calculator or spreadsheet.
- Determine the value of debt and equity instruments by applying time value of money applications and cash flow analysis
- Value a firm’s assets utilizing cash flow analysis based on the company’s current financial position as reflected in the financial statements and the company’s expected future cash flow
- Assess capital budgeting decisions utilizing cash flow analysis and capital budgeting decision-making tools such as net present value and an internal rate of return analysis
- Evaluate the risk inherent in project evaluation or valuing of an entire company utilizing industry knowledge, historical financial information as presented in the company’s financial statements, and general economic conditions
- Estimate the required return based on the riskiness of future cash flows utilizing the capital asset pricing model and weighted average cost of capital, with consideration given to the level of financial leverage required
Learning modules
Module 1: Introduction & Financial Statement Analysis
Chapter 1: Introduction to financial management
Chapter 2: Financial statements, taxes & cash flow
Chapter 3: Working with financial statements

Module 2: Time value of money and discounted cash flow
Chapter 4: introduction to time value of money
Chapter 5: discounted cash flow valuation

Module 3: Valuation of stocks and bonds
Chapter 6: interest rates and bond valuation
Chapter 7: equity markets in stock valuation

Module 4: Capital investment decision-making
Chapter 8: net present value and other investment criteria
Chapter 9: making capital investment decisions

Module 5: The relationship between risk and return and the cost of capital
Chapter 10: lessons from capital market history
Chapter 11: risk and return
Chapter 12: cost of capital

Outcomes
Demonstrate a thorough understanding of the composition and significance of financial information presented on income statements and balance sheets.

Use information from financial statements to perform ratio analysis to evaluate the financial position of a company including its solvency, profitability, leverage and market value.

Solve time value of money calculations for present value, future value, interest rates, time periods and payments using financial calculator.

Value a firm’s assets using cash flow analysis based on the company’s current financial position as reflected in the financial statements and the company’s expected future cash flow.

Determine the value of various equity and debt instruments by applying time value of money and cash flow analysis.

Value a firm’s assets using cash flow analysis based on the company’s current financial position as reflected in the financial statements in the company’s expected future cash flow.

Assess capital budgeting decisions using cash flow analysis and capital budgeting decision-making tools such as net present value and internal rate of return analysis.

Evaluate the risk inherent in project evaluation or valuing of an entire company using industry knowledge: historical financial information is presented in the company’s financial statements and general economic conditions.

Estimate the return the required return based on the riskiness of future cash flows using the capital asset pricing model and weighted average cost of capital with consideration given to the level of financial leverage required.
Grading Policy

Grades are based on your performance on exams, quizzes, homework and class performance.

<table>
<thead>
<tr>
<th>Component</th>
<th>Points</th>
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</thead>
<tbody>
<tr>
<td>4 Cumulative Exams – 100 pts each (12.5% each)</td>
<td>400 pts</td>
</tr>
<tr>
<td>10 Quizzes – 10 pts each (12.5% total)</td>
<td>100 pts</td>
</tr>
<tr>
<td>Homework (25%)</td>
<td>200 pts</td>
</tr>
<tr>
<td>Attendance / Participation (12.5%)</td>
<td>100 pts</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>800 pts</strong></td>
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</tbody>
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The final course grade will be a letter based on the following:

<table>
<thead>
<tr>
<th>Letter</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>93-100</td>
</tr>
<tr>
<td>A-</td>
<td>90-92</td>
</tr>
<tr>
<td>B+</td>
<td>87-89</td>
</tr>
<tr>
<td>B</td>
<td>83-86</td>
</tr>
<tr>
<td>B-</td>
<td>80-82</td>
</tr>
<tr>
<td>C+</td>
<td>77-79</td>
</tr>
<tr>
<td>C</td>
<td>73-76</td>
</tr>
<tr>
<td>C-</td>
<td>70-72</td>
</tr>
<tr>
<td>D+</td>
<td>67-69</td>
</tr>
<tr>
<td>D</td>
<td>63-66</td>
</tr>
<tr>
<td>D-</td>
<td>60-62</td>
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<tr>
<td>F</td>
<td>&lt; 60</td>
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</tbody>
</table>
Expectations

- **Take ownership** of your assignments. What you learn depends on your commitment.
- **Spend sufficient time outside of the classroom each week** to ensure you understand the materials, class work, homework, and discussions. This will vary for each student, but likely between **4 – 6 hours per week** on average.
- **Speak up**: Ask for help when you’re stuck and/or lost. Let me know *soon* if the class is unsatisfactory in any way. Visit during office hours or make an appointment. **My job is to make sure you succeed.**

**IMPORTANT**: THIS IS NOT ONE OF THOSE CLASSES THAT YOU CAN BREEZE THROUGH FOR AN EASY “A”. It is essential that you stay on top of the workload.

Assignments

**Homework**

Homework will be assigned as we go over each chapter on Connect and must be completed prior to the quiz on the relevant chapter. The opening dates and due dates will be reflected in Connect. There will be unlimited attempts allowed for the homework while the homework is open for completion. The score on your final attempt will be recorded as your grade for that assignment. For example, if you are not happy with your score on the first attempt, you can retake until you receive a score you are happy with. On the other hand, if you’re satisfied with the score received on the first attempt, you do not have to perform any additional attempts.

*I highly encourage you to work on these assignments individually because you, alone, will be tested on the subject matter. If you do work with a peer, make sure that you develop an independent mastery of the subject prior to the quizzes and exams.* The homework questions will provide a good indication of what to expect on the tests (and homework completion is **25% of your overall grade**).

Late homework will not be accepted unless enough notice is provided by student in advance for an official, university event. I reserve the right to accept or reject late homework.

**Quizzes**

There will be approximately 12 quizzes worth 10 points each. They will be announced in advance (see schedule below for approximation of dates) and will follow closely with the homework. At the end of the semester, the instructor will drop the lowest 2 quiz grades and average the remaining quizzes. As such, **there will be absolutely no make-up quizzes. The syllabus quiz is mandatory and cannot be dropped.**

**Class participation**

There will be 100 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. If you attend on a regular basis and contribute positively to the vibe of the class, you will receive full credit for this portion. **If your attendance is sporadic, if you have a negative attitude, or if you are disruptive to**
the class, you will receive a deduction. The amount of said deduction is at the instructor's discretion.

Extra Credit: In concurrence with your quizzes, I will offer a section of bonus questions. The bonus points will be applied to the next sequential exam and will be capped once your exam grade is 100. If there are carryover bonus points, then those carryover points will be applied to a different exam.

Exams
There will be four cumulative exams worth 100 points each. Exams are given during the regular class period on the dates given in the schedule, but the fourth/final exam will be given during your respective final exam testing period. Please note that no make-up or early exams will be administered, rather the weight of the remaining exams will be adjusted accordingly (i.e. if you miss 1 of 3 semester exams, rather than each exam counting 12.5%, the 3 remaining exams will count 16.67% each, including your final). The final exam is mandatory.

Note: It may seem that Exam 3 (Chapters 1-12) and the final exam are duplicative. However, each exam (excluding the final) will focus more heavily on the most recent chapters covered.

For example:

Exam 2 covers Chapters 1-8, but you will have already been tested on Chapters 1-4. Therefore, Exam 2 will focus more heavily on chapters 5-8, but there will still be light review material from the first exam to ensure the information learned previously doesn't become "stale." Exam 3 will focus more heavily on chapters 9 – 12. The final exam will focus somewhat equally on all material covered during the semester.

Attendance Policy
It is expected that each student attend and participate in all class periods, with the exception of College-supported excused absences. Please arrive on time. As outlined above, class participation is not an insignificant component of the final grade in the course (12.5%).

Office Hours
During office hours, students seeking additional help, advice, or other assistance are welcome to stop by (or make an appointment). However, office hours are not intended for additional instruction, particularly if a student misses a class or does not pay attention during class.

Please ensure your office visits are a good use of our time by coming prepared with specific questions, challenges, or topics. If you miss a class, you are responsible for printing and/or reviewing the relevant handouts or materials discussed in class.
Communication

Consistent with what you can expect in a business career, all electronic communication with me is conducted through University supplied systems so use your and my C of C email account for all correspondence. Use this as practice for business communication – be concise, professional and not chatty. No texts.

Before you reach out to me:

1. Consult the class schedule and syllabus.
2. Check OAKS for announcements and instructions.
3. Ask classmates.

Late Assignments & Make-up Exams

Deadlines are a fact of life in the business world as well as in school. Please make sure to plan to have enough time to complete your homework assignments by the due date and time.

All of the assigned Connect and LearnSmart assignments are open. You do not have to wait until the due date to begin the assignments.

The syllabus indicates the tentative dates for exams and exams will be announced in class.

Students participating in College of Charleston sanctioned activities may make arrangements to take an exam at an alternative time and should bring me a request from the appropriate College official.

Sometimes life events intrude on our day to day lives. Your success is important to me so when that happens and you run into a problem that keeps you from meeting course requirements please come see me to discuss a solution.
College of Charleston Honor Code and Academic Integrity

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 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://deanofstudents.cofc.edu/honor-system/studenthandbook/
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.

Center for Student Learning & Finance Tutors

If you are having difficulty with any of the material, let’s talk either during office hours or by making an appointment. Do not let it build up. The first five chapters in the textbook are the foundation for all the remaining coursework. It is very difficult to recover if you fall behind so please take steps early. Some tips:

- Use the Center for Student Learning (CSL) academic support services for assistance in study strategies and course content. Drop by the front desk at the CSL (1 floor library) or call 843-953-5635.
- The Finance Department also has tutors available for Business Finance tutoring in the School of Business. A schedule will be posted to OAKS once tutoring hours are determined for the semester.
<table>
<thead>
<tr>
<th>DATE</th>
<th>CHARTERS</th>
<th>TOPICS COVERED</th>
<th>ASSIGNMENTS</th>
</tr>
</thead>
</table>
| JAN 9 Thursday | CH 1 | Introduction to Financial Management  
Syllabus Review and Connect Introduction | SmartBook CH 2, Begin CH 2 HW |
<p>| 14 Tuesday | CH 2 | Financial Statements and Cash Flow | Finish CH 2 HW, prep for quiz |
| 16 Thursday | CH 2, Quiz | Financial Statements and Cash Flow | SmartBook CH 3, Begin CH 3 HW |
| 21 Tuesday | CH 3 | Working with Financial Statements | Finish CH 3 HW, prep for quiz |
| 23 Thursday | CH 3, Quiz | Working with Financial Statements | SmartBook CH 4, Begin CH 4 HW |
| 28 Tuesday | CH 4 | Introduction to Valuation: The Time Value of Money | Finish CH 4 HW, prep for quiz |
| 30 Thursday | CH 4, Quiz | Introduction to Valuation: The Time Value of Money | Prep for Exam 1 |
| FEB 4 Tuesday | Exam 1 | CH 1 - 4 | SmartBook CH 5, Begin CH 5 HW |
| 6 Thursday | Review Exam 1 &amp; CH 5 | Discounted Cash Flow Valuation | Finish CH 5 HW, prep for quiz |
| 11 Tuesday | CH 5, Quiz | Discounted Cash Flow Valuation | SmartBook CH 6, Begin CH 6 HW |
| 13 Thursday | CH 6 | Interest Rates and Bond Valuation | Finish CH 6 HW, prep for quiz |
| 18 Tuesday | CH 6, Quiz | Interest Rates and Bond Valuation | SmartBook CH 7, Begin CH 7 HW |
| 20 Thursday | CH 7 | Equity Markets and Stock Valuation | Finish CH 7 HW, prep for quiz |
| 25 Tuesday | CH 7, Quiz | Equity Markets and Stock Valuation | SmartBook CH 8, Begin CH 8 HW |
| 27 Thursday | CH 8 | Net Present Value and Other Investment Criteria | Finish CH 8 HW, prep for quiz |
| MAR 3 Tuesday | CH 8, Quiz | Net Present Value and Other Investment Criteria | Prep for Exam 2 |
| 5 Thursday | Exam 2 | CH 1 - 8 | SmartBook CH 9, Begin CH 9 HW |</p>
<table>
<thead>
<tr>
<th>DATE</th>
<th>DAY</th>
<th>CHAPTERS</th>
<th>TOPICS COVERED</th>
<th>ASSIGNMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Tuesday</td>
<td>Review Exam 2 &amp; CH 9</td>
<td>Making Capital Investment Decisions</td>
<td>Finish CH 9 HW, prep for quiz</td>
</tr>
<tr>
<td>12</td>
<td>Thursday</td>
<td>CH 9, Quiz</td>
<td>Making Capital Investment Decisions</td>
<td>SmartBook CH 10, Begin CH 10 HW</td>
</tr>
<tr>
<td>13</td>
<td>Friday</td>
<td></td>
<td>Last day to withdraw with a grade of W</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Tuesday</td>
<td>Spring break</td>
<td>No Class</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Thursday</td>
<td>Spring break</td>
<td>No Class</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Tuesday</td>
<td>CH 10</td>
<td>Some Lessons from Capital Market History</td>
<td>Finish CH 10 HW, prep for quiz</td>
</tr>
<tr>
<td>26</td>
<td>Thursday</td>
<td>CH 10</td>
<td>Some Lessons from Capital Market History</td>
<td>SmartBook CH 11, Begin CH 11 HW</td>
</tr>
<tr>
<td>31</td>
<td>Tuesday</td>
<td>CH 11</td>
<td>Return, Risk and CAPM</td>
<td>Finish CH 11 HW, prep for quiz</td>
</tr>
<tr>
<td>APR 2</td>
<td>Thursday</td>
<td>CH 11</td>
<td>Return, Risk and CAPM</td>
<td>SmartBook CH 12, Begin CH 12 HW</td>
</tr>
<tr>
<td>7</td>
<td>Tuesday</td>
<td>CH 12</td>
<td>The Cost of Capital</td>
<td>Finish CH 10 HW, prep for quiz</td>
</tr>
<tr>
<td>9</td>
<td>Thursday</td>
<td>CH 12, Quiz</td>
<td>The Cost of Capital</td>
<td>Prep for Exam 3</td>
</tr>
<tr>
<td>14</td>
<td>Tuesday</td>
<td>Exam 3</td>
<td>CH 1 - 12</td>
<td>SmartBook CH 13</td>
</tr>
<tr>
<td>16</td>
<td>Thursday</td>
<td>Review Exam 3 &amp; CH 13</td>
<td>Leverage and Capital Structure</td>
<td>Prep for Final Exam</td>
</tr>
<tr>
<td>21</td>
<td>Tuesday</td>
<td>Reading Day</td>
<td>Open discussion &amp; questions</td>
<td>Prep for Final Exam</td>
</tr>
<tr>
<td>23</td>
<td>Thursday</td>
<td></td>
<td></td>
<td>Prep for Final Exam</td>
</tr>
<tr>
<td>25</td>
<td>Tuesday</td>
<td>Final exam - 12:00 – 3:00 pm</td>
<td>CH 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12</td>
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