College of Charleston
FINC-303, Business Finance, Course Syllabus
2017 Maymester (May 15 – May 31)

Instructor: Hao-Chen Liu
Class Time: ONLINE
Classroom: ONLINE
E-mail: liuh@cofc.edu

Course goals
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
Lessons about the Structure of Finance by Thomas Downs, Pearson Custom Publishing, 8th
Edition. The eBook can be purchased online at

Required Technology
The entire course will be delivered online through OAKS. Therefore, you need to have a
computer to access internet and be able to play both audio and video files. Using mobile devise
to access the course materials is not recommended. If you experience any technology issues,
please contact Student Computer Support at 953-8000 or studentcomputingsupport@cofc.edu.
IMPORTANT: Computer failure/unavailability does not constitute an excuse for not completing
assignments by the due date.

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

Course Objectives
The objectives 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 the problem
solving skills, be aware of important ethical issues in finance, and be able to do the following when you finish this course:

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

Learning Expectations

This course will be delivered completely online. Even though we do not meet in person, our goal is to have a bounded learning community. In this community, we help out each other by having online interactions through different communication tools (see “Communication” under the “Other issues” section). In the following few weeks, we all live in this community. To achieve the highest level of learning for everyone, we should be good citizens in this community. Good citizens help out each other. Good citizens communicate in good and acceptable manner. Good citizens contribute to the community. Good citizens care and listen to each other. Good citizens can be trusted by each other.

Because we do not meet in person, it is very important that you participate regularly in our virtual community to stay on the top of the course. In each module, there will be lecture videos, reading assignments, practice problems, discussion questions and a module test. Other than the module test, which you are required to complete independently, all other components can be worked together in this virtual community. There will be different posts available on the discussion board on OAKS for you to ask and answer questions. Please feel free to post any course related questions on OAKS. REMEMBER, ALL QUESTIONS ARE GOOD QUESTIONS. Please do not feel frustrated or uneasy to ask questions. Some other students might have the same questions but are afraid to ask. However, if you still feel uncomfortable to post questions in public, feel free to email me or use other communication tools.

Last but not the least, even though this is an online course, you should expect to have the same level of rigorousness as a face-to-face course. This course is not self-paced. Instead, it is very fast paced. New module will be posted on OAKS on regular basis and tests will be given regularly. If this is your first time taking an online course and a summer course, I understand
your anxiety of possibly missing anything because there is not assigned meeting time in a regular classroom. Please do not worry. As long as you log in OAKS regularly, you should not miss any new posts.

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>
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<tbody>
<tr>
<td>8 Module Tests (MT)</td>
<td>70%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>15%</td>
</tr>
<tr>
<td>Discussions</td>
<td>10%</td>
</tr>
<tr>
<td>Wildcard for best all-around performance</td>
<td>5%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
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</tbody>
</table>

This is how wildcard works. Your course grade is determined by 8 MTs, 1 Final Exam, and Discussions. Out of these 10 components, I will add 5% to the highest one as the wildcard for your course grade. Therefore, the wildcard increases the importance of your best score.

The Overall Performance Score computes with this letter grade distribution:

- $92.0 \leq \text{average} \Rightarrow \text{A}$
- $72.0 \leq \text{average} < 77.0 \Rightarrow \text{C}$
- $89.5 \leq \text{average} < 92.0 \Rightarrow \text{A-}$
- $69.5 \leq \text{average} < 72.0 \Rightarrow \text{C-}$
- $87.0 \leq \text{average} < 89.5 \Rightarrow \text{B+}$
- $67.0 \leq \text{average} < 69.5 \Rightarrow \text{D+}$
- $82.0 \leq \text{average} < 87.0 \Rightarrow \text{B}$
- $62.0 \leq \text{average} < 67.0 \Rightarrow \text{D}$
- $79.5 \leq \text{average} < 82.0 \Rightarrow \text{B-}$
- $59.5 \leq \text{average} < 62.0 \Rightarrow \text{D-}$
- $77.0 \leq \text{average} < 79.5 \Rightarrow \text{C+}$
- $\text{average} < 59.5 \Rightarrow \text{F}$

Modules, Module Tests, Discussions, and Final Exam Policies:

1. Modules
   - A new module will be posted on OAKS every day at 8 a.m.

2. Module Tests (MT)
   - A module test will be given at the completion of each module. According to our schedule, there will be a test almost every day.
   - MT will be posted on OAKS at 8 a.m. on the following day after the module is published on OAKS. Each test will be timed. You need to complete the test within 24 hours after it is posted on OAKS.
• Students missing a module test for any reason whatsoever receive a zero on that test. There are no excused absences because we employ a no-fault attendance policy. **No make-up tests will be given.** Your final exam will be used to replace a missed test.

(3) Discussions
• I will post discussion questions on Professor’s Discussion Board. You are required to join discussion at least one time for each discussion question within 1 day after the question is posted to receive the grade.

(4) Final Exam
• At the end of the term, a final exam will be posted on OAKS. You need to complete it within 24 hours after the exam is posted online.
• Final exam is comprehensive. It will be served for 2 purposes. First, it accounts for 15% of your grade. Second, it will be used to replace your lowest scored module test if your score is higher in the final exam than the lowest scored module test.
• In case that you missed a module test, it automatically becomes your lowest scored test. Your final exam will be used to replace the missed module test. For example, if you missed module test 1 (i.e., 8.75% of your grade), the weight of the final exam will become 23.75% (i.e., 8.75%+15%). You can use your final exam to replace at most 1 missed module test. If you miss more than 1 module test, then you will receive zero for the rest of missed module tests.

Other Issues
(1) Communication: There are at least 2 different ways to communicate in this course.
   a. Email: If it is a student specific question, please email me and I will reply within 24 hours during work days (i.e., Monday to Friday). I respond only to emails sent through student email accounts (i.e., cofc account). On the email subject line, put “FINC-303”. If you do not receive my reply in 24 hours during work days, send it again.
   a. Discussion Boards:
      i. There will be 3 Discussion Forums: General Discussion Board, Chapter Discussion Board, and Professor’s Discussion Board.
      ii. General Discussion Board: This board is for general questions, such as course requirements, test due date, etc. I encourage you to help answer the questions if you know the answers.
iii. Chapter Discussion Board: This board is for chapter specific questions, related to course materials. I encourage you to help answer the questions if you know the answers.

iv. Professor’s Discussion Board: This board is for class discussion questions. Within each module, I will post some discussion questions. You are required to join the discussion at least one time within 1 day after the question is posted to receive the grade.

(2) It is your responsibility to check any announcement posted on OAKS.

(3) If there is a student in this class who has a documented disability and has been approved to receive accommodations through the Center for Disability Services/SNAP (Students Needing Access Parity), please have SNAP center contact me within first 2 days of the term.

List of Topics

• Introduction: Introduction to the study of finance
• Module 1: Financial fundamentals
• Module 2: Financial growth, forecasting, and financing needs
• Module 3: Time value of money
• Module 4: Annuities
• Module 5: Capital budgeting
• Module 6: Bond valuation
• Module 7: Stock valuation
• Module 8: Equilibrium rates of return

Important dates:
(1) Last day to drop/add: Monday, May 15
(2) Last day to withdraw with a grade of “W”: Thursday, May 25
(3) Memorial Day-No class: Monday, May 29
(4) Last day of class: Friday, May 30
(5) Final Exam: May 31
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<tr>
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<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
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<tbody>
<tr>
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<td>May 16 / Class 2</td>
<td>May 17 / Class 3</td>
<td>May 18 / Class 4 (Module 1 Test)</td>
<td>May 19 / Class 5 (Module 2 Test)</td>
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<tr>
<td>Introduction:</td>
<td>Module 1:</td>
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<td>Module 2:</td>
<td>Module 3:</td>
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<td>Ch1: Course</td>
<td>Ch2: The</td>
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<td>Ch3: Growth,</td>
<td>Ch4: Time value</td>
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<tr>
<td>Introduction;</td>
<td>financial</td>
<td>financial</td>
<td>Forecasting Finance</td>
<td>of money</td>
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<tr>
<td>Introduction to the study of finance</td>
<td>fundamentals</td>
<td>fundamentals</td>
<td>Needs, Cash flow measurement</td>
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<tr>
<td>May 22 / Class 6</td>
<td>May 23 / Class 7 (Module 4 Test)</td>
<td>May 24 / Class 8 (Module 5 Test)</td>
<td>May 25 / Class 9 (Module 6 Test)</td>
<td>May 26 / Class 10 (Module 7 Test)</td>
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<td>Module 4:</td>
<td>Module 5:</td>
<td>Module 6:</td>
<td>Module 7:</td>
<td>Module 8:</td>
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<tr>
<td>Ch5: Annuities</td>
<td>Ch6: Capital</td>
<td>Ch7: Bond</td>
<td>Ch8: stock</td>
<td>Ch11: Equilibrium</td>
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<td></td>
<td>Budgeting</td>
<td>valuation</td>
<td>valuation</td>
<td>rates of return</td>
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<tr>
<td>May 29</td>
<td>May 30 / Class 11 (Module 8 Test)</td>
<td>May 31</td>
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<tr>
<td>Memorial Day</td>
<td>Study day</td>
<td>FINAL</td>
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**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://studentaffairs.cofc.edu/honorsystem/studenthandbook/index.php