

Business Finance
FINC 303-08 – Spring 2015
Course Syllabus

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Office Hours: Monday – from 2 to 3 pm
Tuesday – from 10 am to 12 noon
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Philosophy and 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.

Required Background (Prerequisites)

ACCT 203 and 204, ECON 201 and 202, and MATH 104 or 250. It is the student's responsibility to be aware of and meet all course prerequisites.

Required Materials

- *Essentials of Corporate Finance*, by Ross, Westerfield, and Jordan, 8th Edition, McGraw-Hill/Irwin with **Connect**.
 - *With respect to the book, you have several options depending on how much you would like to spend and if you find value in owning a printed copy of the text.*

Loose leaf package:

MHID/ ISBN13 9780077724962. Ross et al Loose Leaf Essentials of Corporate Finance with Connect Plus 8th 2014. Available at the C of C bookstore.

Hardback package:

MHID/ ISBN13 9780077736538. Ross et al Essentials of Corporate Finance with Connect Plus 8th 2014. Available at the C of C bookstore.

Connect plus eBook access, no print product: 0077511220/ 9780077511227 Ross et al CONNECT PLUS FINANCE W/ LEARNSMART 1S ACCESS CARD FOR ESSENTIALS CORPORATE FINC 8th 2014. ***This is the least expensive option and you can purchase it directly from the McGraw-Hill website.***

- Calculator: A business or statistical calculator (Texas Instruments BAII Plus recommended).
- Please note that sharing a calculator or using a cell-phone calculator is not permitted during exams. A student who fails to bring a calculator to the exam will have to work without one.

Learning Goals and Objectives

Business Finance Learning Goals	
Critical thinking and problem-solving	X
Professional attitudes	X
An appreciate for the role of business in a free enterprise economy	X
Basic quantitative and analytical skills	X
Written communication skills	X
Oral communication skills	X
Global awareness	X
Ethical decision-making	X
Functional areas of business (e.g., finance, marketing, accounting)	X

The overall objective 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.

Course Delivery

Course instruction and updates for this syllabus are given during class. Aside from in-class instructions, you will be able to access the course online for homework assignments and online quizzes. Login information to the online class resources will be discussed in class.

Electronic Communication

It is preferable that all electronic communication between the instructor and students be conducted through the Official University supplied systems. Please use your C of C email account for all future correspondence with faculty and staff.

Homework Assignments and Quizzes

Homework problems and quizzes will be assigned online for each chapter and will be the basis for exams. All homework and quizzes must be submitted by the deadline. **NO LATE HOMEWORK OR QUIZ SUBMISSIONS WILL BE ACCEPTED.** Homework assignments and quizzes will each be worth 15% of your final grade. Each quiz and homework will have equal weight.

Exams

There will be 3 (two mid-term and one final) closed-notes and closed-book in-class exams. The final exam will be comprehensive. I will apply, what I call, a 30-20-10 rule. This means that the exam with your highest score will be worth 30%, the exam with your second highest score will be worth 20%, and the lowest score will be worth 10% of your final grade. No make-up exams will be given.

- A student who will miss or has missed an exam should be prepared to provide appropriate documentation of an “excused absence” in order to qualify for a grade adjustment (e.g. the percentage weight of the **final exam** will increase by 10%). Examples of appropriate documents include official memorandums or letters, doctor’s notes, hospital admission papers, obituaries, death certificates, police accident reports, and speeding tickets.

- An “excused absence” is defined as absence due to university-recognized activities, religious holy days, court appearances other than jury duty, illness that requires the care of a licensed physician (routine medical or dental appointments are not valid excuses), serious illness or death of a member of the immediate family, or other events to be determined on a case-by-case basis. Car problems and job-related excuses (such as change of work schedule, meetings, training, travel, etc.) are NOT excused absences.
- Attending class is essential for success in the course. Anything discussed in class is testable and may be included in class quizzes and tests. Some class discussions will not come from the text book so attending class is important. If you do miss class, contact your peers to obtain all information discussed.

Assignment of Final Grades

Final grades will be based on performance as follows:

	<u>Points</u>
Homework assignments	20%
Quizzes	20%
Exams	60%

Letter grades will be determined as:

A ≥ 90.0 B 80.0 – 89.9 C 70.0 – 79.9 D 60.0 – 69.9 F ≤ 59.9

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 that the student’s actions are related more than to a misunderstanding will be handled by the instructor in conjunction with the Dean of Students. 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/honor-system/studenthandbook/index.php>

SB Objectives

Consistent with the goals of the School of Business, this course includes instruction in:

Problem Solving Ability: The course requires extensive aptitude in comprehending and implementing strategies to solve practical quantitative problems within all areas of Business Finance.

Ethical Awareness: The course covers topics that require understanding of the appropriate response to ethical quandaries and an understanding of the legal and social ramifications of decision making in Finance.

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.

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.

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.

Other Information

1. Cell phones, pagers and other electronic communication devices must be turned off or placed in the "silent" mode during class, especially during exam. Repeated interruption from these items will result in the student being dismissed from the class.
2. Classes will begin on time. If you are late, please make every effort to minimize disruption to other students. You are responsible for *all* material presented in class. If you miss any material because of absence or tardiness, you should ask another student for notes.

Students with disabilities

The College will make 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

I encourage you to utilize the Center for Student Learning's (CSL) academic support services for assistance in study strategies and course content. Faculty-recommended, highly trained FINC tutors are on staff and are available to work with you at no additional cost. Drop by the front desk at the CSL (first floor Addlestone Library), call 843.953.5635, or use the **Request a Tutor** link from the website http://csl.cofc.edu/labs/individual_tutoring/index.php. For more information regarding these services please visit the CSL website at <http://csl.cofc.edu>.

Course Outline

This outline is tentative and is subject to change at the discretion of the instructor. Any variations will be announced in class.

Date	Chapters	Topic
1/12		Course Overview
1/14	1	Introduction to Financial Management
1/16	1	Introduction to Financial Management
1/19		NO CLASS – Martin Luther King Day
1/21	2	Financial Statements, Taxes, and Cash Flow
1/23	2	Financial Statements, Taxes, and Cash Flow
1/26	3	Working with Financial Statements
1/28	3	Working with Financial Statements
1/30	4	Introduction to Valuation: The Time Value of Money
2/2	4	Introduction to Valuation: The Time Value of Money
2/4	5	Discounted Cash Flow Valuation
2/6	5	Discounted Cash Flow Valuation
2/9	6	Interest Rates and Bond Valuation
2/11	6	Interest Rates and Bond Valuation
2/13	7	Equity Markets and Stock Valuation
2/16	7	Equity Markets and Stock Valuation
2/18		REVIEW
2/20		MIDTERM 1
2/23	8	Net Present Value and Other Investment Criteria
2/25	8	Net Present Value and Other Investment Criteria
2/27	9	Making Capital Investment Decisions
3/2		NO CLASS – Spring Break
3/4		NO CLASS – Spring Break
3/6		NO CLASS – Spring Break
3/9	9	Making Capital Investment Decisions
3/11	10	Some Lessons from Capital Market History
3/13	10	Some Lessons from Capital Market History
3/16	11	Risk and Return

3/18	11	Risk and Return
3/20	12	Cost of Capital
3/23	12	Cost of Capital
3/25		REVIEW
3/27		MIDTERM 2
3/30	13	Leverage and Capital Structure
4/1	13	Leverage and Capital Structure
4/3	13	Leverage and Capital Structure
4/6	14	Dividends and Dividend Policy
4/8	14	Dividends and Dividend Policy
4/10	15	Raising Capital
4/13	15	Raising Capital
4/15	15	Raising Capital
4/17	16	Short-Term Financial Planning
4/20	16	Short-Term Financial Planning
4/22	17	Working Capital Management
4/24	17	Working Capital Management
4/27		FINAL REVIEW
TBD		FINAL EXAM