FINC 303: Business Finance  
FINC 303-01  
College of Charleston  
Course Syllabus  
Spring 2021

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Class Time/Classroom: MWF 1:00 - 1:50pm, online via Zoom  
Office Hours: by appointment via Zoom

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Introduction

After a career in banking and investment management, I have seen both sides of the corporate finance relationship and I look forward to making the class material real through my experiences. This is a critical foundational 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.

The course

Course description

This course presents the fundamental concepts of corporate finance. It is mostly from a CFO's perspective in the area of working capital, capital budgeting, and financing decisions. That means the CFO of a large corporation all the way down to the CFO of a small business (also a corporation), which is sometimes the owner wearing multiple hats, and everything in between.

Textbook


Web address for Connect:

https://connect.mheducation.com/class/t-ruppel-finc-303-01-spring-2021-mwf-100---150

Note: You *must* have a Connect account for this course. Your homework will be assigned via Connect, and quizzes will be given via Connect. Instructions on registration:

http://video.mhhe.com/watch/s6TpaoS7po9i3osq1FzUkg

Tools

We will use OAKS for scheduling, announcements and posting class materials and grades. The URL for the course is https://cofc.brightspace.com/d2l/home/259907

A computer or laptop with keyboard loaded with Microsoft Excel.

Prerequisites

Junior standing; ACCT 203 & 204; ECON 200 & 201; MATH 104 or 250; DSCI 232 is suggested
Structure of Course – Synchronous Online

The class will meet via Zoom meetings during our designated class time on MWF from 1:00pm to 1:50pm. If a quiz or exam is scheduled, it will open at 1:00pm and close at 2:00pm in the case of a quiz and later in the case of an exam.

Students are expected to attend class video sessions and participate when appropriate. If you cannot attend every single class, that’s no problem. However, if you are going to miss a substantial number of classes over the semester (5-10), especially sequentially, please let me know so we can work through the issue together. Please let me know as soon as you know.

After each class, the recording of the Zoom meeting will be posted in OAKS, along with the slides + class notes that contain key points discussed, upcoming assignments/deadlines, etc. Class sessions will be recorded so please check OAKS and review the Zoom video if you miss a class. (By attending and remaining in class, you consent to being recorded. Recorded class sessions are for your use only and may not be shared with anyone who is not enrolled in the class.)

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

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>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative Exams</td>
<td>37.5%</td>
</tr>
<tr>
<td>Final exam</td>
<td>12.5%</td>
</tr>
<tr>
<td>Quizzes</td>
<td>20%</td>
</tr>
<tr>
<td>Homework</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The final course grade will be a letter based on the following:

- A: 93-100%
- A-: 90-92
- B+: 87-89
- B: 83-86
- B-: 80-82
- C+: 77-79
- C: 73-76
- C-: 70-72
- D+: 67-69
- D: 63-66
- D-: 60-62
- F: < 60
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. **My job is to make sure you succeed.**

Assignments

SmartBook questions
We all learn differently but I have found the SmartBook questions in each chapter to be incredibly valuable in nailing down the material. If you get a question wrong, it will be asked again until you get it right. I urge you to complete these for each chapter before you do the homework. While this will not impact your grades, I will be able to see who starts and who finishes the questions and who doesn’t touch them. It will give me a sense of how much effort you’re putting in if you get in trouble.

Homework
Homework will be assigned as we go over each chapter on Connect and is due at the start of class on the day of the quiz on that chapter. (Connect will automatically submit on that date if you haven’t.) The opening dates and due dates will be reflected in Connect. You will have unlimited attempts for the homework while it’s open for completion. Your grade for that assignment will be the highest score from all your attempts. 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).

I cannot accept late homework unless you give me notice in advance about an official university event. I will drop one homework grade (your lowest) at the end of the semester.

Quizzes
There will be 11 quizzes worth 10 points each. They will be given in Connect. They will be announced in advance (see the schedule below) and will follow closely with the homework. At the end of the semester, I will drop the lowest 2 quiz grades and average the remaining quizzes. Therefore, **there will be no make-up quizzes.**
Extra Credit: There will be bonus questions on each quiz. Bonus points will be applied to the next 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.

Class attendance & participation
I expect that you will attend the live Zoom sessions and participate as much as possible, unless you have a good reason for not being able to attend. Please “arrive” on time. (Remember, I can see who attends via Zoom meeting summaries, including when each user logged in and logged out.)

There will be 100 points available for class participation. This is purely subjective and is based on my sense 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 not, you could get points deducted.

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 2 other exams will count 16.67% each). 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.

Exams in Microsoft Excel: Important rules
1. Your final answer must go in the green answer box or you will be given no credit for the question.
2. You must show your supporting work. Just putting in the answer, even if it's correct, without any work won't count. If you show your work and your answer is incorrect, I will make every effort to award partial credit where earned.
Office Hours

If you need additional help, advice, or other assistance, you’re welcome to make an appointment to talk outside class hours. Since we will not meet in person, there are no set hours for appointments – just email me and we’ll schedule some time. We will talk via Zoom, Skype, FaceTime, Google etc.

Electronic Communication

Consistent with what you can expect in a business career, all electronic communication with me is conducted through our C of C email accounts for all correspondence. Use this as practice for business communication – be concise, professional and not chatty. No texts.

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 make an appointment 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 be 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 an 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/](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 or via online: http://disabilityservices.cofc.edu/. 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. Tutoring will be virtual only.
## Schedule

<table>
<thead>
<tr>
<th>Dates</th>
<th>Chapters/topics covered</th>
<th>Assignments</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 Mon</td>
<td>Course introduction, Syllabus, Chapter 1: Introduction to Financial Management</td>
<td>CH 2 SB Lesson, Begin CH 2 HW</td>
</tr>
<tr>
<td>13 Wed</td>
<td>Chapter 2: Financial Statements, Taxes, and Cash Flow</td>
<td>Complete CH 2 HW</td>
</tr>
<tr>
<td>15 Fri</td>
<td>Chapter 2: Financial Statements, Taxes, and Cash Flow</td>
<td>Prep for Quiz</td>
</tr>
<tr>
<td>20 Wed</td>
<td>Chapter 2 Quiz</td>
<td>CH 3 SB Lesson, Begin CH 3 HW</td>
</tr>
<tr>
<td>22 Fri</td>
<td>Chapter 3: Working with Financial Statements</td>
<td>Complete CH 3 HW</td>
</tr>
<tr>
<td>25 Mon</td>
<td>Chapter 3: Working with Financial Statements</td>
<td>Prep for Quiz</td>
</tr>
<tr>
<td>27 Wed</td>
<td>Chapter 3 Quiz</td>
<td>CH 4 SB Lesson, Begin CH 4 HW</td>
</tr>
<tr>
<td>29 Fri</td>
<td>Chapter 4: Introduction to Valuation: The Time Value of Money</td>
<td>Continue CH 4 HW</td>
</tr>
<tr>
<td>February</td>
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<tr>
<td>1 Mon</td>
<td>Chapter 4: Introduction to Valuation: The Time Value of Money</td>
<td>Continue CH 4 HW</td>
</tr>
<tr>
<td>3 Wed</td>
<td>Homework &amp; Question Review</td>
<td>Complete CH 4 HW; Prep for Exam 1</td>
</tr>
<tr>
<td>5 Fri</td>
<td>Chapter 4 Quiz</td>
<td>Prep for Exam 1</td>
</tr>
<tr>
<td>8 Mon</td>
<td>Quiz Review and Exam Prep</td>
<td>Prep for Exam 1</td>
</tr>
<tr>
<td>10 Wed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 Fri</td>
<td>Exam Review; Begin Chapter 5: Discounted Cash Flow Valuation</td>
<td>Continue CH 5 HW</td>
</tr>
<tr>
<td>15 Mon</td>
<td>Chapter 5: Discounted Cash Flow Valuation</td>
<td>Complete CH 5 HW</td>
</tr>
<tr>
<td>17 Wed</td>
<td>Chapter 5: Discounted Cash Flow Valuation</td>
<td>Prep for Quiz</td>
</tr>
<tr>
<td>19 Fri</td>
<td>Chapter 5 Quiz</td>
<td>CH 6 SB Lesson, Begin CH 6 HW</td>
</tr>
<tr>
<td>22 Mon</td>
<td>Chapter 6: Interest Rates and Bond Valuation</td>
<td>Complete CH 6 HW</td>
</tr>
<tr>
<td>24 Wed</td>
<td>Chapter 6: Interest Rates and Bond Valuation</td>
<td>Prep for Quiz</td>
</tr>
<tr>
<td>26 Fri</td>
<td>Chapter 6 Quiz</td>
<td>CH 7 SB Lesson, Begin CH 7 HW</td>
</tr>
<tr>
<td>March</td>
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<tr>
<td>1 Mon</td>
<td>Chapter 7: Equity Markets and Stock Valuation</td>
<td>Complete CH 7 HW</td>
</tr>
<tr>
<td>3 Wed</td>
<td>Chapter 7: Equity Markets and Stock Valuation</td>
<td>Prep for Quiz</td>
</tr>
<tr>
<td>5 Fri</td>
<td>Chapter 7 Quiz</td>
<td>CH 8 SB Lesson, Begin CH 8 HW</td>
</tr>
<tr>
<td>8 Mon</td>
<td>Chapter 8: Net Present Value and Other Investment Criteria</td>
<td>Complete CH 8 HW</td>
</tr>
<tr>
<td>10 Wed</td>
<td>Chapter 8: Net Present Value and Other Investment Criteria</td>
<td>Prep for Quiz</td>
</tr>
<tr>
<td>12 Fri</td>
<td>CH 8 Quiz</td>
<td>Prep for Exam 2</td>
</tr>
<tr>
<td>15 Mon</td>
<td>Quiz Review and Exam Prep</td>
<td>Prep for Exam 2</td>
</tr>
<tr>
<td>17 Wed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 Fri</td>
<td>Exam Review; Begin Chapter 9: Making Capital Investment Decisions</td>
<td>Continue CH 9 HW</td>
</tr>
<tr>
<td>22 Mon</td>
<td>Chapter 9: Making Capital Investment Decisions</td>
<td>Prep for Quiz</td>
</tr>
<tr>
<td>24 Wed</td>
<td>Chapter 9 Quiz</td>
<td>CH 10 SB Lesson, Begin CH 10 HW</td>
</tr>
<tr>
<td>26 Fri</td>
<td>Chapter 10: Some Lessons from Capital Market History</td>
<td>Complete CH 10 HW</td>
</tr>
<tr>
<td>29 Mon</td>
<td>Chapter 10: Some Lessons from Capital Market History</td>
<td>Prep for Quiz</td>
</tr>
<tr>
<td>31 Wed</td>
<td>Chapter 10 quiz</td>
<td>CH 11 SB Lesson, Begin CH 11 HW</td>
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<tr>
<td>April</td>
<td></td>
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<tr>
<td>2 Fri</td>
<td>Chapter 11: Risk and Return</td>
<td>Complete CH 11 HW</td>
</tr>
<tr>
<td>5 Mon</td>
<td>Chapter 11: Risk and Return</td>
<td>Prep for Quiz</td>
</tr>
<tr>
<td>7 Wed</td>
<td>Chapter 11 Quiz</td>
<td>CH 12 SB Lesson, Begin CH 12 HW</td>
</tr>
<tr>
<td>9 Fri</td>
<td>Chapter 12: Cost of Capital</td>
<td>Complete CH 12 HW</td>
</tr>
<tr>
<td>12 Mon</td>
<td>Chapter 12: Cost of Capital</td>
<td>Prep for quiz</td>
</tr>
<tr>
<td>14 Wed</td>
<td>Chapter 12 Quiz</td>
<td>Prep for Exam 3</td>
</tr>
<tr>
<td>16 Fri</td>
<td>Quiz Review and Exam Prep</td>
<td>Prep for Exam 3</td>
</tr>
<tr>
<td>19 Mon</td>
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<td>Prep for final</td>
</tr>
<tr>
<td>21 Wed</td>
<td>No class; use the time to prep</td>
<td>Prep for final</td>
</tr>
<tr>
<td>23 Fri</td>
<td>Final Exam Prep</td>
<td>Prep for final</td>
</tr>
<tr>
<td>26 Mon</td>
<td></td>
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**Final Exam**