

College of Charleston
FINC 303-02, Business Finance, Course Syllabus
2022 Summer I (June 7 – July 7)

Instructor: Hao-Chen Liu, Ph.D., CMT, CGBP, Global Scholar

Class time and date: Online (Asynchronous)

Classroom: Online

Office hours: (see the communication section)

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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

“Elements of Finance” by Thomas Downs. You may access the textbook in 2 ways.

- E-book free download: <http://elementsoffinance.net/elements-liu-cofc.pdf>
- Hard copy can be purchased at lulu.com (search for Thomas Downs, “Elements of Finance”)

Required Technology

The entire course will be delivered online through OAKS (lms.cofc.edu). Therefore, you need to have a computer to access internet and be able to play both audio and video files. Using mobile device to access the course materials is not recommended. If you experience any technology issues, please contact Student Computer Support at 843-953-8000 or studentcomputingsupport@cofc.edu. (<https://it.cofc.edu/help/studentcomputing.php>)

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

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 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 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 estimate company's cost of capital

Learning Expectations

This course is an online and asynchronous course. It will be delivered completely online. Even though we do not meet in person, our goal is to have a bonded learning community. In this community, we help out each other by having online interactions through different communication tools (see "Communication" in 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 each other.
- Good citizens communicate in good and acceptable manners.
- 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 forums 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, I understand your anxiety of possibly missing anything because there is not an assigned meeting time like in a regular semester class. 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 BAlI Plus (**TI BAlI Plus**) (this is different from their BAlI). In class, I will use and teach you to use TI BAlI Plus.

If you are using a BAlI 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:

7 Module Tests (MT)*	70%
Final Exam	15%
Discussions	10%
<u>Wildcard for best all-around performance**</u>	<u>5%</u>
Total	100%

*There will be total 8 module tests but only 7 will be counted. The lowest module tests will be dropped. Therefore, each module test is 10%.

**Wildcard: Your course grade is determined by 7 Module Tests, 1 Final Exam, and Discussions. Out of these 9 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:

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

$82.0 \leq \text{average} < 87.0 \Rightarrow B$

$62.0 \leq \text{average} < 67.0 \Rightarrow D$

$79.5 \leq \text{average} < 82.0 \Rightarrow B-$

$59.5 \leq \text{average} < 62.0 \Rightarrow D-$

$77.0 \leq \text{average} < 79.5 \Rightarrow C+$

$\text{average} < 59.5 \Rightarrow F$

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

1. Modules

- A new module will be posted on OAKS at 8 a.m. every 2 to 3 days depending on the length of a module.

2. Module Tests (MT)

- There will be total eight Module Tests.
- A Module Test (MT) will be posted on OAKS at 8 a.m. on the **last day** of a module. Each test will be timed. You will have until 11:30 p.m. on the 2nd day after the module test is posted to complete the test. (See the calendar at the end of the syllabus for more detailed schedule.)
- Students missing a module test for any reason whatsoever receives 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.
- One of the lowest Module Tests will be dropped at the end of the course.

3. Discussions

- Discussion questions will be posted on Professor's Discussion Board (**PDB**). To receive credits, **you are required** to join discussion at least one time for each discussion question posted on PDB **by 11:30 p.m. on the last day of a module**. The maximum point for each PDB is 10 points. You receive 10 points for showing the completeness and correctness of your answer. Points will be deducted for an incomplete and incorrect answer.

4. Final Exam

- At the end of the term, a final exam will be posted on OAKS. You will have until 11:30 p.m. on the 2nd day following the posting day to complete the final exam.
- Final exam is comprehensive. It will be served for 2 purposes. First, it accounts for 15% of your course grade. Second, it will be used to replace your second lowest scored module test (the lowest one will be dropped automatically) if your score is higher in the final exam than any one of the module tests.
- In case that you missed more than one module test, the first missed test will be automatically dropped, and the second missed test will be replaced by your final exam. For example, if you

missed Module Tests 1 and 2, Module Test 1 will be dropped, and Module Test 2 will be replaced by the final exam. Therefore, the weight of the final exam will become 25% (i.e., 10%+15%). You can use your final exam to replace only one module test. After that, you will receive zero for the other missed module tests.

Other Issues

1. Communication: There are at least 2 different ways to communicate in this course.
 - Email: If it is a student specific question, please email me and I will reply within 24 hours during workdays (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 workdays, please send it again.
 - Discussion Boards:
 - i. There will be 3 Discussion Forums: General Discussion Board (GDB), Chapter Discussion Board (CDB), and Professor’s Discussion Board (PDB).
 - ii. GDB (General Discussion Board): This board is for general questions, such as course requirements, test dates, etc. I encourage you to help answer the questions if you know the answers.
 - iii. CDB (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. PDB (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 by 11:30 p.m. on the last day of a module to receive the grade.
2. It is your responsibility to check any announcements posted on OAKS.
3. 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/>

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: Tuesday, June 7
2. Last day to withdraw with a grade of "W": Monday, June 27
3. Independence Day Holiday (no classes): Monday, July 4
4. Last day of class: Tuesday, July 5
5. Final Exam: Wednesday to Thursday, July 6 to 7

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(daily topics subject to change)

Monday	Tuesday	Wednesday	Thursday	Friday
	June 7	June 8	June 9	June 10
	Course Quiz, June 7-8			Module Test 1, June 10-13
	<u>Introduction:</u> Course Introduction (PDB-0)	<u>Module 1</u> Ch2: The financial fundamentals (PDB-Module 1)		
June 13	June 14	June 15	June 16	June 17
Module Test 1, June 10-13	Module Test 2, June 14-15		Module Test 3, June 16-17	
<u>Module 2:</u> Ch3: Growth, Forecasting Finance Needs, Cash flow measurement (PDB-Module 2)		<u>Module 3:</u> Ch4: Time value of money (PDB-Module 3)		<u>Module 4:</u> Ch5: Annuities (PDB-Module 4)
June 20	June 21	June 22	June 23	June 24
Module Test 4, June 20-21		Module Test 5, June 22-23		Module Test 6, June 24-28
<u>Module 4 (con't)</u> (PDB-Module 4)	<u>Module 5:</u> Ch6: Capital Budgeting (PDB-Module 5)		<u>Module 6:</u> Ch7: Bond valuation (PDB-Module 6)	
June 27	June 28	June 29	June 30	July 1
Module Test 6, June 24-28	Module Test 7, June 28-29		Module Test 8, June 30-July 1	
<u>Module 7:</u> Ch8: stock valuation (PDB-Module 7)		<u>Module 8:</u> Ch.11: Equilibrium rates of return (PDB-Module 8)		Study Day
July 4	July 5	July 6	July 7	
		FINAL EXAM		
Independence Day Holiday (no classes)	Study Day	(UNTIL 11:30 p.m., July 7)		

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/>