

## **Finance 303 - Section 07 (CRN: 30710)**

### *Business Finance*

Summer (Extended Summer) 2022

---

<i>Instructor</i>	Dr. Mark K. Pyles
<i>Class</i>	Online Education
<i>Office</i>	Online
<i>Phone</i>	843-513-8970
<i>E-mail</i>	PylesM@cofc.edu
<i>Office Hours</i>	10:00 AM-12:00 PM and 9:00-10:00 PM Tuesday and Thursday and by appointment. Virtual.

#### *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.

#### *Prerequisites*

ACCT 203, ACCT 204, ECON 200, ECON 201, and MATH 104 or 250. Junior Standing. DSCI 232 is recommended.

### **COURSE OBJECTIVES**

#### *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 prepare you for further studies in business.

Theoretical/Analytical knowledge will be developed in the areas of:

- Working capital management
- Value of the firm's assets
- Risk and return
- Financial leverage and the cost of capital
- Capital budgeting
- Dividend policy
- International finance

Practical competencies 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

### *SB Objectives*

Consistent with the goals of the School of Business, 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.

*Global and Civic Responsibility:* Students will be asked to solve problems related to ethical dilemmas, encapsulated in financial problems. They will be asked to view issues through difference lenses and gain an appreciation for the complexities involved in addressing financial situations in a global economy.

*Intellectual Innovation and Creativity:* Careful attention will be devoted to placing students in a position where they must utilize resourcefulness and creativity in solving problems related to the global financial world. Questions will be asked in ways that require the students to use the materials learned in a variety of ways, rather than simply requiring repetition of known processes.

*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 MATERIALS

#### *Textbook*

Primary Text: *Fundamentals of Corporate Finance* by Ross, Westerfield, and Jordan, 13/e.

Secondary Text: *Applied Corporate Finance: Making Value-Enhancing Decisions in the Real World*. (2021), by Pyles, New York: Springer Texts in Business and Economics, 2/e.

#### *Calculator*

A basic scientific calculator is required. A financial calculator with functions such as present value and internal rate of return is optional, but recommended. If you buy a new one, I highly recommend the TI BA II Plus. It is inexpensive and is considered very easy to use.

### COURSE PRACTICES

Since this is a purely online course over a summer period, students enrolled in the course should expect a relatively heavy workload. The distance learning process, along with the quantitative nature of the materials make it imperative that students carefully monitor their progress. It is expected that students complete the required materials on schedule, which generally requires daily logins and active maintenance of your account. There is naturally some discretion given the asynchronous nature of the course, but the most success will be found with students that follow the schedule as laid out at the end of the syllabus – and as conveyed ongoingly by the professor.

The course is divided into three modules (see the schedule at the end of this document). Upon completion of each module, an examination will be administered. Each module will contain between four and six chapters, where each chapter will be broken into approximately 3-4 short lectures. Recall that due to the nature of the summer terms, the material is delivered at a faster pace than during a typical semester course. Students should understand this and budget time accordingly. While the schedule will vary according to the length and difficulty of each chapter, standard practice would require students to complete a chapter every two consecutive business days. Students are required to complete quizzes through OAKS and write summaries on each chapter before being allowed access to the subsequent lecture.

The lectures themselves are a combination of webcam recordings, PowerPoint slides with voice-over dialogue (the bulk of the material) and screen capturing recordings (using software such as Excel, or showing examples of webpages of relevance).

### *COMMUNICATION*

#### *From Professor*

I will update the News feed with a brief description of what the upcoming day's lectures will entail. In addition, I will send email messages to the class at large regarding important announcements. It is expected that you log into OAKS and check your OAKS registered email account daily. Any relatively personal communication to students will be done via email message.

#### *With Professor and Classmates*

It is my hope that each of you feels comfortable contacting me regarding any aspect of the course. It is my goal to provide a valuable learning experience with ample resources available at your disposal. If there is an issue you feel the entire class will benefit from discussing, there will be a discussion board module opened for each lecture. Students are highly encouraged, and expected, to participate in these board discussions. If there is an issue you feel is better discussed one-on-one with me, you may email at any time. My response rate on emails will be no more than 24 hours. If there is a case where the student would be more comfortable using video meeting software (such as Skype, Zoom, or Facetime), that can be arranged as well.

#### *Office Hours*

My stated office hours represent times where I will be actively monitoring the computer for emails, messages, or requests from students. Communication in this regard can be done via email, telephone, or video meeting software. During the posted office hours, students can expect responses in very short order. If students are unavailable during the posted office hours, they can request a different virtual meeting time and the request will be accommodated as best as possible.

### *COURSE POLICIES*

#### *Attendance Policy*

Naturally, with an asynchronous course offering, the concept of attendance takes a different meaning. You will not be able to pass the course without being in "attendance"

virtually, and the instructor reserves the right to include this information in determining the student's participation in the course and the corresponding grade impact (see "Assignments"). Evidence such as amount of time spent on materials and the number of topics completed will be included in determination of the participation portion of the grading.

### *Honor Code*

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 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 F is permanent. 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 <https://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; <https://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.

## ASSIGNMENTS

### *Exams*

There will be three non-cumulative exams worth 100 points each. The exams will be posted following the completion of each module. Students must successfully complete each lecture-ending quiz and a module-ending summary before they can access the exam. To take the exam, students must access the document, print and complete the exam, and then scan and upload via the “assignments” section of OAKS. Note this could require the access of a printer and scanner. Alternatively, the student can either scan via their phones or take photos of their completed documents and upload, provided the quality is sufficient for clear examination. The student will have a maximum of two hours from the time of access to the time of upload. Each exam will be available to access for a 24-hour period.

### *Homework*

Homework will not be regularly assigned and/or graded. However, the instructor will make concerted effort to provide suggested homework from the text as supplemental learning materials.

### *Quizzes*

There will be 14 quizzes, one at the end of each chapter. The quizzes must be completed before the student can access the following lecture. Materials covered on the quizzes will be relatively basic as they are designed to ensure the student has an adequate grasp of the general concepts presented in the lecture. Each quiz will be worth 10 points.

### *Module Summaries*

At the completion of each three modules, each student must complete a three-to-five-page summary of the primary material in that series of chapters. These will be graded not only on effort, but upon the student’s ability to cohesively and articulately summarize the primary topic points of each chapter. The goal is for the student to write as if they are explaining to someone not well-versed in finance. In other words, simply copying talking points from the lectures will warrant low grades. Deductions for poor grammar/exposition will also be made. Each summary will be worth 25 points and will be graded at the completion of each of the three modules. These summaries must be submitted prior to being able to access the test materials.

### *Class Participation*

Class participation is particularly important in this online setting. Students are expected, and in some cases required, to participate in discussion forums. These forums will be of two types. First, each lecture will have an open forum where students and instructor can cover any aspect of the lecture they feel needs further attention. Students are expected to actively participate generally, although they are not required to in each discussion forum. In addition to the lecture forums, the professor will also post required discussion questions. There will be 2-3 of these questions during the semester and each student is expected to contribute something to the conversation. In addition, virtual “attendance”

will also be incorporated into this section's score. Total points available for participation in this course is 25 points, based upon the instructor's observation of each student's participation.

#### GRADING

Exams (3 * 100 pts. each )	300
Quizzes (14 * 10 pts. each)	140
Summaries (3 * 25 pts each)	75
Class Participation	<u>25</u>
Total	540 Points

Letter grades are assigned as follows:

A = 90% - 100%	(483-540 pts.)
B = 80% - 89%	(429-482 pts.)
C = 70% - 79%	(375-428 pts.)
D = 60% - 69%	(321-374 pts.)
F = below 60%	(below 321 pts.)

Tentative Class Schedule:

<b>Date</b>	<b>Chapter</b>	<b>Topic</b>
<b>Module 1</b>		
May 16	1	Introduction to corporate finance
May 17	2	Financial statements
May 18	2	Financial statements (continued)
May 19	3	Working with financial statements
May 20	4	Long-term financial management and growth
May 23	5	Time value of money
May 24	5	Time value of money (continued)
May 25	6	Discounted cash flow valuation
May 26	6	Discounted cash flow valuation (continued)
<b>May 27</b>	<b>Exam</b>	<b>EXAM #1: Chs. 1-6</b>
<b>Module 2</b>		
May 30	-	Memorial Day (no classes)
May 31	7	Interest rates and bond valuation
June 1	7	Interest rates and bond valuation (continued)
June 2	8	Stock valuation
June 3	8	Stock valuation (continued)
June 6	9	NPV and other investment criteria
June 7	9	NPV and other investment criteria (continued)
June 8	10	Making capital investment decisions
June 9	10	Making capital investment decisions (continued)
<b>June 10</b>	<b>Exam</b>	<b>EXAM #2: Chs. 7-10</b>
<b>Module 3</b>		
June 13	12	Some lessons from capital market history
June 14	12	Some lessons from capital market history (cont'd)
June 15	13	Risk, return, and the SML
June 16	13	Risk, return, and the SML (continued)
June 17	14	Cost of capital
June 20	14	Cost of capital (continued)
June 21	16	Financial leverage and capital structure policy
June 22	-	Catch up day
<b>June 23</b>	<b>Exam</b>	<b>EXAM #3 Chs. 12, 13, 14, 16</b>