Instructor: Hao-Chen Liu, Ph.D., CMT, CGBP, Global Scholar
Class time and date: Online (Asynchronized)
Classroom: Online
Office hours: (see the communication section)
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
“Elements of Finance” by Thomas Downs. You may access the textbook in 2 ways.
- 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 (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 rigor 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 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>7 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>
</tr>
</tbody>
</table>

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

**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:

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

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

1. **Modules**
   - A new module will be posted on OAKS every day at 6 a.m.

2. **Module Tests (MTs)**
   - There will be a total of 8 MTs. According to our schedule, there will be a test almost every day.
   - A MT will be posted on Oaks at 6 a.m. on the day when the module is posted. (The only exception is Module 1 since it is a longer module. Module 1 Test will be posted on the 2\text{nd} day of the module.) Each MT will be timed. You will have until 11:30 p.m. on the next day after it’s posted to complete it. (See the calendar at the end of the syllabus for more detailed MT schedule)
   - Students missing a MT 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 MTs will be given. One of the lowest MTs will be dropped at the end of the course.

3. **Discussions**
   - Discussion questions will be posted on the 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 following day. 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 need to complete it by 11:30 p.m. on the posting day (i.e., May 31).
• Final exam is comprehensive. It will be served for 2 purposes. First, it accounts for 15% of your course grade. Second, if your final exam score is higher than the 2nd lowest MT score, it will be used to replace your second lowest scored MT (the lowest one will be dropped automatically).

• 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: (1) email and (2) discussion boards.
   ▪ 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 the 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. You are required to join the discussion at least one time by 11:30 p.m. on the last day of each module to receive the grade.

2. It is your responsibility to check any announcements posted on OAKS.
3. The Center for Disability Services/SNAP is committed to assisting qualified students with disabilities achieve their academic goals by providing reasonable academic accommodations under appropriate circumstances. If you have a disability and anticipate the need for an accommodation in order to participate in this class, please connect with the Center for Disability Services/SNAP. They will assist you in getting the resources you may need to participate fully in this class. You can contact the Center for Disability Services/SNAP office at 843.953.1431 or at snap@cofc.edu. You can find additional information and request academic accommodations at the Center for Disability Services/SNAP website. (https://disabilityservices.cofc.edu/)

**List of Topics**

- Introduction: Introduction to the study of finance
- Module 1: Chapter 2, Financial fundamentals
- Module 2: Chapter 3, Financial growth, forecasting, and financing needs
- Module 3: Chapter 4, Time value of money
- Module 4: Chapter 5, Annuities
- Module 5: Chapter 6, Capital budgeting
- Module 6: Chapter 7, Bond valuation
- Module 7: Chapter 8, Stock valuation
- Module 8: Chapter 11, 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”: Friday, May 26
3. Memorial Day (No class): Monday, May 29
4. Last day of class: Friday, May 30
5. Final Exam: May 31
<table>
<thead>
<tr>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
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<tbody>
<tr>
<td>May 15 / Class 1</td>
<td>May 16 / Class 2</td>
<td>May 17 / Class 3</td>
<td>May 18 / Class 4</td>
<td>May 19 / Class 5</td>
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<tr>
<td>Introduction:</td>
<td>Module 1: Ch2: The financial fundamentals</td>
<td>Module 1 (con’t): Ch2: The financial fundamentals</td>
<td>Module 2: Ch3: Growth, Forecasting Finance Needs, Cash flow measurement</td>
<td>Module 3: Ch4: Time value of money</td>
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<tr>
<td>Ch1: Course Introduction; Introduction to the study of finance</td>
<td>(PDB-0) Due: 11:30 p.m. May 16</td>
<td>(PDB-Module 1) Due: 11:30 p.m. May 18</td>
<td>(PDB-Module 2) Due: 11:30 p.m. May 19</td>
<td>(PDB-Module 3) Due: 11:30 p.m. May 22</td>
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<td>(Course Quiz) Due: 11:30 p.m. May 16</td>
<td>(Module 1 Test) Due: 11:30 p.m. May 18</td>
<td>(Module 2 Test) Due: 11:30 p.m. May 19</td>
<td>(Module 3 Test) Due: 11:30 p.m. May 22</td>
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<td>May 22 / Class 6</td>
<td>May 23 / Class 7</td>
<td>May 24 / Class 8</td>
<td>May 25 / Class 9</td>
<td>May 26 / Class 10</td>
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<tr>
<td>Module 4: Ch5: Annuities</td>
<td>Module 5: Ch6: Capital Budgeting</td>
<td>Module 6: Ch7: Bond valuation</td>
<td>Module 7: Ch8: stock valuation</td>
<td>Module 8: Ch.11: Equilibrium rates of return</td>
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<td>(PDB-Module 4) Due: 11:30 p.m. May 23</td>
<td>(PDB-Module 5) Due: 11:30 p.m. May 24</td>
<td>(PDB-Module 6) Due: 11:30 p.m. May 25</td>
<td>(PDB-Module 7) Due: 11:30 p.m. May 26</td>
<td>(PDB-Module 8) Due: 11:30 p.m. May 30</td>
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<td>(Module 4 Test) Due: 11:30 p.m. May 23</td>
<td>(Module 5 Test) Due: 11:30 p.m. May 24</td>
<td>(Module 6 Test) Due: 11:30 p.m. May 25</td>
<td>(Module 7 Test) Due: 11:30 p.m. May 26</td>
<td>(Module 8 Test) Due: 11:30 p.m. May 30</td>
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<td>May 29</td>
<td>May 30 / Class 11</td>
<td>May 31</td>
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<td>Memorial Day (No class)</td>
<td>Study day</td>
<td>FINAL EXAM</td>
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<td>(FINAL EXAM) Due: 11:30 p.m. May 31</td>
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**College of Charleston Honor Code and Academic Integrity**
As members of the College of Charleston community, we affirm, embrace and hold ourselves accountable to the core values of integrity, academic excellence, liberal arts education, respect for the individual student, diversity, equity and inclusion, student centeredness, innovation and public mission. Congruent with these core values, the College of Charleston expects that every student and community member has a responsibility to uphold the standards of the honor code, as outlined in the Student Handbook. In pursuit of academic learning, you are expected to reference the work of other scholars, and complete your own academic work, while utilizing appropriate resources for assistance. Any acts of suspected academic dishonesty will be reported to the Office of the Dean of Students and addressed through the conduct process. Your
adherence to these practices and expectations plays a vital role in fostering a campus culture that balances trust and the pursuit of knowledge while producing a strong foundation of academic excellence at the College of Charleston. Any questions regarding these expectations can be clarified by your instructor.

Students can find the complete Honor Code and all related processes in the Student Handbook at: https://deanofstudents.cofc.edu/honor-system/studenthandbook/index.php