

2017

FINC 550-W27 Fundamentals of Finance: West Chester

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Syllabus

Xavier University
Williams College of Business
Dr. R. Brian Balyeat, CFA

Finance 550-W27
Fundamentals of Finance – West Chester
Spring 2017

Course Description and Objectives:

Finance 550 has three main objectives:

1. Understanding the tools used in financial management
2. Examine firm financing/capital structure decisions
3. Investigate the instruments used by firms to alter their capital structure

By the end of this class, students should be able to understand the basic principles and techniques used in the financial management of a business. The purpose of this course is to introduce the student to the fundamentals of finance, with special emphasis on properly framing and making financial decisions within the context of a business enterprise.

Prerequisites:

Finance 550 students **must have completed** Accounting 500

Required Material:

The required text is

Ross, Westerfield, and Jordan, *Fundamentals of Corporate Finance*, Eleventh Edition, McGraw-Hill/Irwin, 2013. ISBN 978-0-07-786170-4

In addition, a copy of the class notes is available on the class Canvas site. You are required and expected to have downloaded and reviewed the appropriate notes **before** each class.

Scholastic Dishonesty:

It is the responsibility of students and instructors to help maintain scholastic integrity at the university by refusing to participate in or tolerate any scholastic dishonesty. Xavier is known nationally as a university deep in tradition and integrity. Hence, I will operate under the assumption that scholastic dishonesty does not exist at Xavier. Therefore, any type of suspected misconduct will be investigated fully and violations will not be tolerated, as they will be prosecuted to the fullest extent possible. The first offense will result in a non-droppable zero on the assignment while a second offense will result in an "F" in the course and additional department/college/university action. Thus, students are expected to uphold the Academic Honor Code published in Xavier University Catalog.

"All work submitted for academic evaluation must be the student's own. Certainly, the activities of other scholars will influence all students. However, the direct and unattributed use of another's efforts is prohibited as is the use of any work untruthfully submitted as one's own. Penalties for violations of this policy may include one or more of the following: A zero for that assignment or test, an "F" in the course, and expulsion from the University." (Xavier University 2006-2008 Catalog, p. 68)

Mission of the Williams College of Business:

We educate students of business, enabling them to improve organizations and society, consistent with the Jesuit tradition.

CFA Designation

Anyone interested in a career in investments or related fields who would like to know more about the CFA designation, please feel free to make an appointment to discuss the CFA exam process.

Students with Special Needs:

It is my goal that this class be an accessible and welcoming experience for all students. If you are a student with a disability who may have trouble participating or effectively demonstrating learning in this course, contact me to arrange an appointment to share your Accommodation Letters from Disability Services and to discuss your needs. Disability related information is confidential. If you have not contacted The Office of Disability Service to arrange accommodations, I encourage you to do so by contacting Cassandra Jones, by phone at 513-745-3280, in person on the Fifth Floor of the Conaton Learning Commons, Room 514, or via e-mail at jonesc20@xavier.edu as soon as possible as accommodations are not retroactive.

Teaching Style:

The instructional style will primarily consist of lectures derived from my notes based upon the text. The lectures are designed to be interactive. Classroom participation is expected and is therefore highly encouraged. Please feel free to ask questions, make observations, or share some of your relevant real world experiences. It is my intention to make the classroom environment somewhat informal and relaxed.

In addition, I expect you to be able to understand both the intuition behind the problems and how the problems are worked. If you are unsure about a topic, PLEASE ASK QUESTIONS. If no one is asking questions, I can only assume that everyone understands the material.

Attendance and Classroom Participation:

I expect you to attend class regularly, in accordance with university policy. You are responsible for any material covered, amendments to the syllabus, or announcements made in class, whether you are present or not. If you miss an exam without a valid, documented excuse, you will receive a grade of zero. The exam dates given elsewhere in this syllabus will **not** be changed (assuming that the University is not closed due to inclement weather). If you do not take an exam on the scheduled date, then you are responsible for providing satisfactory evidence to the instructor to substantiate the reason for absence within 48 hours of the missed exam. There are eight University approved reasons that absences will be considered excused. These are mandatory participation in a University sponsored event, death or major illness in the student's immediate family, illness of a dependent family member, mandatory participation in legal proceedings, religious holy days, severe or contagious illness (doctor documentation required), military duties, or mandatory admission interview for graduate or professional school that can not be rescheduled. Please be sure that you have ample satisfactory *written* evidence demonstrating the reason for your absence. (I apologize in advance if obtaining this evidence because of a family death or major illness is emotionally or physically difficult, but written evidence will still be required). Please try to arrange your job interviews, and any necessary travel, on dates other than those on which we have exams.

Additionally, due to circumstances beyond the control of the student, occasionally job requirements will prevent a student from attending class on an examination date. When this is the case, please let me know as soon as you are aware of the conflict. Then, we can work together to arrange a time for you to come to main campus (during normal business hours) to make-up the exam. Due to the fact that exams are generally returned to the students during the next scheduled class, all make-up exams should be scheduled no later than six days after the originally scheduled exam. When necessary, it is possible to schedule a make-up exam to be taken before the exam date given in the syllabus.

Please keep classroom disturbances to a minimum. I will arrive on time for class and I expect you to do the same. I reserve the right to adjust your grade as I see fit for repeated tardiness or other classroom disturbances. In addition, please turn off all cell phones and pagers before you come into class. My rule is simple, if your phone rings during class time and you don't want to lose points on your final grade, then I get to answer it. Obviously, we can make exceptions for emergency situations; just apprise me of the situation before class begins.

Canvas Site for the Class:

Each set of lecture notes is available from the (evolving) class Canvas site. As previously mentioned, you are expected to have downloaded and printed a copy from the Canvas page. In addition, you are also expected to have reviewed the lecture notes before each class period. The Canvas site also contains (or will contain) each of the homework assignments, your grades to date, sample exam questions, and other relevant course material.

Homework Assignments:

Due dates are presented in the Schedule of Classes below. Homework is to be done either individually or in groups of two or three. You do NOT need to hand in a hard copy of the assignment. You will notice in the next section on grading that the homework assignments are NOT part of your final grade. However, I expect that each member of the class will have worked through each assignment. The purpose of the homework assignments is to reinforce the topics covered in the lecture and to provide you with the opportunity to apply that knowledge. I will usually go over the homework on the class day following the lecture on the necessary material. Thus, I do not expect that you will be able to work through each of the problems on the first attempt. You will have ample opportunity during class to take any necessary notes on the problem sets. However, I will NOT hand out a solution manual for these problems as we will work each of them in class.

Each of the assignments can be downloaded from the Canvas site. Please let me know in a timely fashion if you have any difficulty downloading the homework. In addition, please note that many of these problems are quite difficult and may take a while to complete.

Grading:

There will be three closed book examinations for the course as outlined below. The first two exams will be during the assigned class time and the final exam is during the last class period. The first two exams are non-cumulative and the final is cumulative. Please circle all final answers on tests and carry out all calculations to at least 4 digits to the right of the decimal. The calculator provided for the class is the TI BA II Plus Professional. You must use this (and only this) calculator during exams. You may bring one 8.5x11 sheet of paper to each exam with anything hand written on one (and only one) side you wish. However, you are not allowed to cut and paste, Xerox, or use a printer.

When a test or graded assignment is returned to you, you have one week from the date of its return to bring to my attention any request for grade changes. All regrading requests must be fully explained in writing and must be signed. In addition, the original paper must accompany the request for a regrade. After the one-week deadline has passed, no further grade changes will be made for that particular test or assignment. The purpose of this deadline is not to discourage grade changes, but to assure that any necessary changes are promptly made and to allow you as the student to have an accurate and current indication of your performance in the class. Please note that in the case of excessive requests for regrades, the instructor reserves the privilege of regrading the entire paper.

The grading will be based upon the traditional 10-point scale with the bottom three percent of the grading range receiving a 'minus' and the top three percent receiving a 'plus' (where applicable – by University policy a 'plus' designation is not available on a grade of 'A'). Before assigning any letter grades, your grade will be rounded to the nearest integer. Thus, 92.50 is the lowest grade that will receive an unqualified 'A', 89.50 is the lowest average that will receive an 'A-', 86.50 is the lowest 'B+', 82.50 is the lowest 'B', etc. Grades from 70 to 76 will get a 'C'. You must get a grade of 70 or above to pass.

Grade Weights:

Your final grade will be determined by the following weights:

Test I	25%
Test II	25%
Final Exam	50%

Class Announcements:

Please note that in addition to any announcements made in class, you are responsible for checking the announcements section on the class Canvas page. However, announcements will seldom be posted in both places. The announcement section on Canvas is intended to convey important or clarifying information to the class between class sessions.

If you are having trouble with a particular homework problem or you think that there might be an error in the assignment, please check the announcement section. You are responsible for any announcements posted before 6 PM the day before an assignment is due.

Office of Student Success:

The staff in the Office of Student Success is available to assist students to make the most of their Xavier experience. The office provides personal staff consultations, success coaching, referrals to on-campus Solution Centers, and guidance for students to effectively navigate their college experience. To learn more, please visit www.xavier.edu/student-success, visit the office in 514 Conaton Learning Commons, call 513 745-3036, or email student retention@xavier.edu.

(Schedule of classes starts on the next page.)

Schedule of Classes FINC 550:

	<u>Date</u>	<u>Chapter</u>	<u>Topic</u>	<u>Assignment Due</u>
Week 1	Jan. 11	Chapter 1 Chapter 2 Chapter 3 Chapter 5	Corporate Finance Introduction Financial Statements Working with Financial Statements Time Value of Money (start)	Read Ch 1 Read Ch 2 Read Ch 3 Read Ch 5
Week 2	Jan. 18	Chapter 5 Chapter 6 Chapters 1&2 Chapter 3	Time Value of Money (finish) Discounted Cash Flow Evaluation Work HW#1 Work HW#2	Read Ch 5 Read Ch 6 Homework 1 Homework 2
Week 3	Jan. 25	Chapter 5 Chapter 6 Chapter 7	Work HW#3 Work HW#4 Review for Test 1 Interest Rates and Bond Valuation	Homework 3 Homework 4 Read Ch 7
Week 4	Feb. 1	Chapters 1-3, 5-6	TEST I (No Ch 7)	
Week 5	Feb. 8	Chapter 7 Chapter 8 Chapter 9 Chapter 10&11	Work HW#5 Equity Markets and Stock Valuation Investment Criteria Capital Investment Decisions	Homework 5 Read Ch 8 Read Ch 9 Read Chs 10&11
Week 6	Feb. 15	Chapter 8 Chapters 9-11 Chapter 12 Chapter 13	Work HW#6 Work HW#7 Capital Market History Risk and Return	Homework 6 Homework 7 Read Ch 12 Read Ch 13
Week 7	Feb. 22	Chapters 12&13 Chapter 14	Work HW#8 Review for Test 2 Cost of Capital S&L Crisis Discussion	Homework 8 Read Ch 14
Break	Mar. 1	SPRING BREAK – NO CLASS		
Break	Mar. 8	SPRING BREAK – NO CLASS		
Week 8	Mar. 15	Chapters 7-13	TEST II (No Ch 14)	
Week 9	Mar. 22	Chapter 14 Chapters 1-3, 5-13	Work HW#9 Work HW#10 Financial Crisis Discussion Review for Final	Homework 9 Homework 10
Week 10	Mar. 29	All Chapters	FINAL	

Final Exam: Wednesday, Mar. 29, 5:30 pm – 9:15 pm at the West Chester Campus

Class Time: Wednesday, 5:30 pm – 9:15 pm at the West Chester campus

Office Hours: I will try to get here by 4:45 on class days, after class, and by appointment

Contact Information:

Office: 230 Smith Hall

Office Telephone: 745-3013

Home Number: 779-0717 7:00AM - 10:00PM Emergencies Only

Last Edited: 01/02/17

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