2015

FINC 485-02 Computer Application in Finance

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FINC 485-02: Computer Application in Finance
Spring Semester 2015

Professor: Dr. David C. Hyland
Office: Smith 214
Phone Number: 745-3017
E-mail: hylandd@xavier.edu
Mailbox Location: Faculty Suite 223
Office hours: Tuesday/Thursday 2:15 – 3:15
Class Time: MW 1:00-2:15pm
Class Location: Smith 106
Class Time: MW 1:00-2:15pm
Class Location: Smith 106

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

Course Description
The course is designed to develop the students' ability to integrate an electronic spreadsheet into the identification, analysis and solution stages of financial problems. Through this course, students will gain a conceptual as well as a practical understanding of spreadsheets and will be equipped with the spreadsheet skills needed to engage in economic financial modeling.

Learning Outcomes:
Upon successful completion of this class, you will be able to
• Apply a financial spreadsheet to a wide variety of financial models;
• Generate a set of pro forma financial statements for a business using excel;
• Use simple excel database commands such as vlookup, hlookup, offset, index, and match;
• Use excel finance functions including pv, fv, NPV, IRR, yield, and price; and
• Apply various excel add-ins to financial problems, including solver, goal seek and @RISK.

Course Prerequisites
Prerequisite: FINC 300 and INFO 200. Consent of instructor required for non-finance majors

Method
This class meets twice a week on a Tuesday-Thursday schedule. Some time will be spent reviewing or learning the financial or statistical technique that will be modeled using a financial spreadsheet. Some days you will have time to work on the models and assignments for the class. Do not expect to be able to complete all the assignments during the class period. You are expected to come to class prepared, having read all relevant materials and having at least attempted the day’s spreadsheet assignment. You are also expected to participate in class discussions.
Course Materials

2. **Recommended:** John Walkenbach, Microsoft Excel 2007 Bible (Wiley) [Amazon Link](https://www.amazon.com/)
3. **Blackboard** I will use the electronic blackboard extensively throughout the semester. You are responsible for checking it regularly. *(At minimum Monday and Wednesday evenings).*

Exams and Grades

Your course grade will be determined by your class attendance and participation, performance on homework assignments, and performance on two examinations. The weights will be assigned as follows:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Weight (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attendance</td>
<td>10</td>
</tr>
<tr>
<td>Bloomberg Certification</td>
<td>5</td>
</tr>
<tr>
<td>Homework Assignments</td>
<td>20</td>
</tr>
<tr>
<td>Mid-term Exam</td>
<td>25</td>
</tr>
<tr>
<td>Final Exam</td>
<td>40</td>
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</tbody>
</table>

**Attendance:**

Attendance, participation, and cooperation are important elements in improving financial literacy. Class attendance is mandatory. You will receive one free absence. You will lose 5% towards your final grade for every unexcused absence after that. You will lose 2% towards your final grade for every tardy.

**Bloomberg Certification:**

Five percent of your grade will be determined by achieving Bloomberg Certification in two areas: Bloomberg Core and Equity Essentials. To achieve certification, you will watch videos and then answer a series of multiple choice questions regarding the content of the video. The tests are open book and open notes and may be retaken, if necessary. Bloomberg Core consists of four courses: Getting Started (17 min), Bloomberg News (17 min), Monitors Launchpad (17 min) and Introduction to API (35 min). These videos will introduce you to basic Bloomberg functionality while the Market Sector videos (of which Equity Essentials is one) will introduce you to major market fundamentals. You will test your knowledge by taking the Core Exam along with the Equity Essentials Exam and earn an Acknowledgement of Completion with a grade of 70% or better. To receive the 5 percent credit for FINC 485, submit to Canvas as discussed in class.

**Homework Assignment Policies:**

Late homework assignments will receive partial credit up to one week late.

It is a requirement that you complete all of the homework assignments before the last day of regular class. **If you have not turned in all assignments before the last day of regularly scheduled classes you will receive an F for the course.**
Homework assignments must be emailed to: hyland813@gmail.com  I only use that email for assignment collection and do not check unless I am grading so use my regular email if you want a return response.

You must work in **groups of two or more**. All group member names should be included in the filename and your working e-mails should be on the first tab of each workbook.

File Naming Convention – The spreadsheets that you submit must be named appropriately to receive credit. The file naming convention is A#LastnameLastnameLastnameContent where A refers to the assignment, # is the actual number (i.e. 1) followed by the last names of all of the group members and Content helps you remember what the assignment covered. For example if you are submitting assignment #1 name it:

A1SmithJonesGonzales Hockey Assignment.xls

**If you do not name the file this way you will not receive credit.**

Some homework assignments will be graded in class but all must be turned in.

**Optional Extra Credit Assignment**
Identify an organization or a financial topic that you would like to pursue and create a model. The model should incorporate some of the more complicated things we have done in the class throughout the semester. Type a written proposal and submit it to me for approval. It must be approved within two weeks after the midterm. The final project will be due on the Monday of the last week of class and must be presented to the class. Examples of past projects include: A statistical analysis of Xavier’s student body for the admissions department, a cost allocation model for Xavier’s Finance Group, a student loan calculator designed uniquely for Xavier’s student body, a database for a local investment firm, a project to print invoices for a local investments firm, a financial study on different ways to calculate beta, a database for a physician’s mission trip, a club management spreadsheet for Xavier clubs.

**NOTE:** If you are interested in a service learning project, this is your opportunity in FINC 485.

**EXAMS**
The two exams will be individual exams. During each exam, you will be asked to demonstrate your knowledge of financial applications as well as your spreadsheet skills.

**Makeup Exams:**
Makeup exams will be given only to students who receive permission from me in advance of the test date. Students will be required to provide documentation regarding excused absences.
Practice Problems and Quizzes
I will give you plenty of practice sets and quizzes throughout the semester. Often they find their way onto midterms and final exams. Occasionally I will give a practice set to be done in class. If you do not work on it during class you will receive a zero attendance score for the day.

Self-Direction Aspect of the Class
Some of you have strong finance skills. Some have strong Excel skills. Some have taken most of the Finance courses offered at Xavier while others have not. I will cover a wide variety of finance problems in a computing setting but will not always go into a lot of detail while covering the material. You are responsible for figuring out what you need to work on. It may be that you need to spend more time reading finance textbooks and supplemental readings or you may need to spend more time with the Excel handbook and Excel help menu or you may need to ask me more questions. Due to the wide variety of skills in the class I rely on you to determine what you need help on and will be glad to deliver it. That is why I devote a lot of time to lab time, question time and keep office hours.

This is a Junior/Senior level class and at this point in your college career it may be necessary to do studying that is not explicitly part of the syllabus. For example, if we cover an investments topic that you have never seen before and do not understand in class you might need to go to the library to check out a book, come by my office for an explanation or seek assistance from some of your classmates in order to learn the material. The excuse that you have never seen the topic before is not an acceptable one for a Junior/Senior in college.

Software
The spreadsheet package we will be using this semester is Microsoft Excel which is available on the machines in the computer labs. We will also use @RISK, a spreadsheet simulation package which will also be available in the computer labs and can be downloaded to your personal computer.

Academic Misconduct
Xavier’s policy is detailed at:

http://www.xu.edu/registrar/ugrd_policies.html#Academic honesty

A first offense in this class is likely to result in an F for the course.

Miscellaneous Notes:

Although the only finance prerequisite for this course in FINC 300, the more finance, accounting, and information systems courses you’ve had, the more you will get out of the class. If you have had additional courses, I ask that you share your expertise with your classmates by assisting them with concepts and problems.
The recommended study/working time for this course is six (6) hours per week outside of class. Simply completing the course assignments will not guarantee you a good grade. **You will have to demonstrate your knowledge on exams.** That means reviewing, trying the techniques in other settings, brushing up on your finance knowledge and working through suggested exercises and practice sets. If you are unable or unwilling to make this sort of time commitment to this course, I recommend that you withdraw and take the class another time. Computer skills cannot be acquired by reading through assignments, watching someone else do them, or by cramming the night before an exam. You will learn by doing and that will take time.

One of your goals for this class should be to improve your finance and spreadsheet skills beyond your current abilities. Some of you are very familiar with spreadsheets while others are not as familiar. Regardless of your current level of skill use this course as an opportunity to get better at using spreadsheets.

You will be expected to ask questions during class. An absence of questions will be taken as a sign of complete understanding. Take an active role in your education. If you do not understand how to do something, it’s up to you to take steps to remedy the situation.

**Course Outline** – The outline below is a rough outline of the semester. It is only an approximation and is subject to change.

Assignment Due Dates: **All assignments are due at midnight on Tuesday unless otherwise noted.** For assignment details see Blackboard.
<table>
<thead>
<tr>
<th>CLASS #</th>
<th>Week Beginning</th>
<th>Assignment Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1/12</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>1/19</td>
<td>Ass. 1 due by Sunday at midnight Ass 2 due by Tuesday at midnight – do not submit assignment 2 until we go over assignment 1 in class.</td>
</tr>
<tr>
<td>3</td>
<td>1/26</td>
<td>Ass. 3</td>
</tr>
<tr>
<td>4</td>
<td>2/2</td>
<td>Ass. 4</td>
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<tr>
<td>5</td>
<td>2/9</td>
<td>Ass. 5</td>
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<tr>
<td>6</td>
<td>2/16</td>
<td>Ass. 6</td>
</tr>
<tr>
<td>7</td>
<td>2/23</td>
<td>Ass. 7</td>
</tr>
<tr>
<td>8</td>
<td>3/2</td>
<td>Spring Break</td>
</tr>
<tr>
<td>9</td>
<td>3/9</td>
<td>Ass. 8</td>
</tr>
<tr>
<td>10</td>
<td>3/16</td>
<td>Ass. 9</td>
</tr>
<tr>
<td>11</td>
<td>3/23</td>
<td>Ass. 10</td>
</tr>
<tr>
<td>12</td>
<td>3/30</td>
<td>Midterm on Monday Online Session (TBA)</td>
</tr>
<tr>
<td>13</td>
<td>4/6</td>
<td>Ass. 11</td>
</tr>
<tr>
<td>14</td>
<td>4/13</td>
<td>Ass. 12</td>
</tr>
<tr>
<td>15</td>
<td>4/20</td>
<td>Ass. 13</td>
</tr>
<tr>
<td>5/4</td>
<td></td>
<td>Final EXAM WEEK – Exam during scheduled time slot</td>
</tr>
</tbody>
</table>
**FINC 485 Information Sheet**

Name

Something most people don’t know about me is:

Contact information (email & phone #s)

What Finance Courses have you taken?

Goals/Ambitions?

How will FINC 485 play a role in these goals ambitions?