2014

FINC 300-05 Business Finance

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

Course Objectives: This course is designed to introduce students to financial management and convey an understanding of the role of finance in the management scheme of modern organizations. Short-term and long-term financing and investment decision-making are emphasized. The course will also introduce students to spreadsheets, sources of financial information on the web, and ethical issues in finance. The course is designed to prepare those students with an interest in additional finance courses with the foundation needed to continue in the curriculum.

Student Learning Outcomes: After completing this course students should be able to: Distinguish between debt and equity, analyze and calculate common financial ratios, apply time value of money formulas, value stocks and bonds, estimate cash flows, evaluate an investment decision, estimate a firm's cost of capital, discuss the role of risk in investment and financing decisions, discuss capital structure, and compare and identify ethical issues in finance.

Prerequisites: Finance 300 students must have completed Accounting 200

Required Material:
The required text is
Ross, Westerfield, and Jordan, Essentials of Corporate Finance, McGraw-Hill.

Students will be required to submit assignments through McGraw-Hill Connect. You can purchase Connect:
1. With the book through the bookstore
2. Get a 3 week trial through McGraw-Hill
3. Purchase as a stand alone product through McGraw-Hill
In addition, a copy of the class notes will be available on Canvas (new software replacing Blackboard). Please print in advance and bring to class.

**Scholastic Dishonesty:**

“The pursuit of truth demands high standards of personal honesty. Academic and professional life requires a trust based upon integrity of the written and spoken word. Accordingly, violations of certain standards of ethical behavior will not be tolerated at Xavier University. These include theft, cheating, plagiarism, unauthorized assistance in assignments and tests, unauthorized copying of computer software, the falsification of results and material submitted in reports or admission and registration documents, and the falsification of any academic record including letters of recommendation.

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 Catalog)

**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 or fail to turn in homework without a valid, documented excuse, you will receive a grade of zero. 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 seven 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 cannot 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). Arrange your job interviews, and any necessary travel, on dates other than those on which we have exams.

Please keep classroom disturbances to a minimum. I reserve the right to adjust your grade as I see fit for repeated tardiness or disturbances.

In addition, please turn off all cell phones and pagers before you come into class. 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 will be available from the (evolving) class Canvas site. In addition, you are also expected to have reviewed the lecture notes before each class period. In addition to this document, the Canvas site contains other relevant course material.

Grading:

Exams 1 - 2 25%* each
Final exam 30%**
Connect Homework due on dates listed 20%

*If your final score is higher than one of your first two exams, your final will replace that score.
**The final score will always be at least 30% of your grade.

Homework Assignments:
Homework will be assigned in Connect. Connect is an online learning/homework tool that is published in conjunction with the Ross/Westerfield/Jordan textbook. Assignments are due on the dates indicated on the syllabus. Some of the dates may be adjusted as the semester goes on. Feel free to email me if you are having difficulty with a problem in Connect. I will reply with an answer or work it in class. Copy the problem into your email so I can respond without hunting through Connect.


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 the web page 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 a typo in the assignment, please check the announcement section.
**Course Outline** – The outline below is a rough outline of what we will cover. It is only an approximation and is subject to change. Homework should be attempted before the day on the schedule. **Test dates are tentative and subject to change. Changes will be announced and posted on the Canvas website. Check the website and attend class for possible exam date changes.**

**Students should complete as many time value problems as possible.**

<table>
<thead>
<tr>
<th>Week</th>
<th>Date – Week Beginning</th>
<th>Subject</th>
<th>Reading</th>
<th>Homework Connect Chapters Due</th>
</tr>
</thead>
</table>
| 1    | 8/25                  | Intro to Finance  
Financial Statements, Taxes and Cash Flow | Ch 1  
Ch. 2 | |
| 2    | 9/1                   | Monday: No Class – Labor Day  
Working with Financial Statements | Ch. 3 | |
| 3    | 9/8                   | Time Value of Money | Ch 4 | Thursday 9/11 – Connect Assignments 1-3 coinciding with Chapters 1-3 are due at 11 pm. Answers available one hour after that. |
| 4    | 9/15                  | Interest Rates and Bond Valuation | Ch 5  
Ch. 6 | |
<p>| 5    | 9/22                  | <strong>Exam #1 Wed 9/24</strong> | | Monday 9/22 – Connect Assignments 4-6 coinciding with Chapters 4-6 are due at 11 p.m. |
| 6    | 9/29                  | Equity Market and Stock Valuation | Ch. 7 | |
| 7    | 10/6                  | Stock Valuation Continued | | |
| 8    | 10/13                 | Raising Capital | Ch 15 | |
| 9    | 10/20                 | Net Present Value and Other Investment Criteria | Ch. 8 | Monday 10/27 - Connect Assignments 7,15,8 coinciding with Chapters 7,15,8 are due at 11 p.m. |
| 10   | 10/27                 | Making Capital Investment Decisions | Ch. 9 | Thursday 11/6 - Connect Assignments 9,10 coinciding with Chapters 9,10 are due at 11 p.m. |
| 11   | 11/3                  | Lessons from Capital Market History | Ch. 10 | |</p>
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<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Event</th>
<th>Chapter</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>11/10</td>
<td>Exam #2 Wednesday 11/12 Risk and Return</td>
<td>Ch. 11</td>
</tr>
<tr>
<td>13</td>
<td>11/17</td>
<td>Cost of Capital</td>
<td>Ch. 12</td>
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<tr>
<td>14</td>
<td>11/24</td>
<td>M – Cost of Capital (Con’t) 11/26 Thanksgiving Break – No Class</td>
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<tr>
<td>15</td>
<td>12/1</td>
<td>Capital Structure</td>
<td>Ch. 13</td>
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<tr>
<td>16</td>
<td>12/8</td>
<td>Catch Up/Review</td>
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<td><strong>CUMULATIVE FINAL EXAM DURING SCHEDULED TIME</strong></td>
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<td><strong>Friday December 19 12:00 – 1:50 PM</strong></td>
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<td>Thursday 12/11 - Connect Assignments 11,12,13 coinciding with Chapters 11,12,13 are due at 11 p.m.</td>
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FINC 300 Information Sheet

Name

Something most people don’t know about me is:

Contact information (email & phone #s)

Why XU?

Goals/Ambitions?

How will finance play a role in these goals ambitions?