2017

FINC 300-08 Business Finance

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Syllabus

Xavier University: Finance 300-08
Williams College of Business: Business Finance
Dr. Timothy Jones: Fall 2017

Contact Information:
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Office Hours: TR, 10am – 11:30am & 2:30pm – 4pm
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WILLIAMS COLLEGE OF BUSINESS MISSION: We educate students of business enabling them to contribute to organizations and society consistent with the Jesuit tradition.

COURSE OBJECTIVES: This course is designed to introduce students to the organization and practices of business finance. Students are expected to become familiar with time value of money considerations, the use of equity and debt by the firm, capital budgeting, and the valuation of portfolios and securities. Upon completion of this course, students should be able to approach financial analysis and decision making from the perspective of the financial manager of the firm.

PREREQUISITES: Students must have completed Accounting 200

COURSE MATERIALS:


2. A financial or graphing calculator that has the standard time value of money functions and can calculate the net present value (NPV) and internal rate of return (IRR) of a series of varying cash flows (TI-BAlI Plus). There will be no sharing of calculators on exams. Cell phones will not be allowed during in-class assignments.

3. Additional materials, including lectures, problem sets, and readings, will be available on the Xavier Canvas site. Students are expected to check the course site often for new materials.

COURSE ATTENDANCE POLICY: You are expected to be in class for our meetings, but there is no direct association between attendance and your course grade. However, please note that in my experience, most students who have received a grade of “D” or “F” in this class have missed several class meetings. The slides for each chapter of the book that we cover in class are posted on Canvas. However, these slides are only an outline and will be supplemented with further notes and examples in class. Unannounced bonus quizzes will be given periodically throughout the semester. Missing class will negate the student’s opportunity to take these bonus quizzes. Bonus quizzes will be one question each, and every student that gets this question
correct will have 0.50% added to his/her total points (see below). Every student that gets the question incorrect but was present for the quiz gets 0.25% added to his/her total score. *Bonus quizzes are open book and open notes.*

**QUIZZES, EXAMS, AND GRADING POLICY:** Your final grade in this course is a function of four homework assignments and five exams. The dates for the homework assignments and exams are shown below. Your final grade will also be affected by the bonus quizzes mentioned above.

If you miss an exam or fail to turn in homework without a valid, documented excuse, you will receive a grade of zero. The exam dates given elsewhere in this syllabus will not be changed. 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 prior to 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. **There will be no make-up opportunities for the final exam.**

If you arrive late to an exam for any reason you will not, under any circumstances, be given extra time. Your exam is to be turned in at the call for papers under the normal class exam time.

In addition to the exams, you will have four homework assignments (due dates are listed below). **Homework must be turned in by the start of each lecture to receive credit. All late assignments will receive a grade of zero. In addition, all work must be shown to receive full or partial credit.** The more work you show, the easier your paper will be to correct in the event of mistakes, and hence the more partial credit you will receive. Please either bold or circle all final answers and carry out all calculations to at least 2 decimal places.

Homework is to be done in groups of no more than three students. You only need to hand in one copy of the assignment (with all your names on it). However, I expect that each member of the group will have worked on each assignment. You do not have to work with the same group for each assignment. The graded assignment will generally be returned at the beginning of the next class.
Your final grade will be determined by the following weights:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Weight</th>
</tr>
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<tbody>
<tr>
<td>Homework</td>
<td>20%</td>
</tr>
<tr>
<td>Exam 1</td>
<td>15%</td>
</tr>
<tr>
<td>Exam 2</td>
<td>15%</td>
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<tr>
<td>Exam 3</td>
<td>15%</td>
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<tr>
<td>Exam 4</td>
<td>15%</td>
</tr>
<tr>
<td>Exam 5</td>
<td>20%</td>
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</tbody>
</table>

**Important:** I will not consider individual appeals for extra credit work or extra consideration on your course grade at the end of the semester. This means that you must make sure you maintain your average through the semester such that you make the course grade that you desire at the end of the semester.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Range</th>
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</thead>
<tbody>
<tr>
<td>A</td>
<td>100 – 94%</td>
</tr>
<tr>
<td>A-</td>
<td>93 – 90%</td>
</tr>
<tr>
<td>B+</td>
<td>89 – 87%</td>
</tr>
<tr>
<td>B</td>
<td>86 – 84%</td>
</tr>
<tr>
<td>B-</td>
<td>83 – 80%</td>
</tr>
<tr>
<td>C+</td>
<td>79 – 77%</td>
</tr>
<tr>
<td>C</td>
<td>76 – 74%</td>
</tr>
<tr>
<td>C-</td>
<td>73 – 70%</td>
</tr>
<tr>
<td>D+</td>
<td>69 – 67%</td>
</tr>
<tr>
<td>D</td>
<td>66 – 64%</td>
</tr>
<tr>
<td>F</td>
<td>≤ 63%</td>
</tr>
</tbody>
</table>

**WILLIAMS COLLEGE OF BUSINESS LEARNING GOALS:** The Williams College of Business has chosen to emphasize the following learning goals in its undergraduate business curriculum. Each of these areas will be covered in FINC 300.

1. **Critical Thinking:** WCB graduates will be able to think logically, reason quantitatively, and utilize appropriate analytical techniques and technology when evaluating and making decisions.

2. **Ethics and Social Responsibility:** WCB graduates will be able to recognize ethical issues, discern moral implications of decision making, and be prepared, and willing, to serve as responsible and professional members of society.

3. **Effective Written and Oral Communication:** WCB graduates will be able to organize, support and communicate ideas clearly and effectively, employ multiple mediums of communication (e.g., written, oral and visual), and adapt communication to audience, context or purpose.

4. **Global Perspective and Cultural Diversity:** WCB graduates will appreciate the historical and cultural contexts of the world in which they live, demonstrate the competencies required for engaging in global business activities, and respect and value diverse peoples and perspectives.
5. Understanding and Application of Knowledge Across Business Disciplines: WCB graduates will be able to evaluate business from an integrative and holistic point of view, leverage the synergies between functional business areas, and demonstrate college-level mastery of their chosen discipline.

6. Personal and Professional Development: WCB graduates will be well-prepared for their future careers and appreciate the importance of continuous professional development and life-long learning.

**QUANTITATIVE REASONING FLAG:** This course qualifies for the Quantitative Reasoning Flag. In this course, you will practice making sense of quantitative information and interpreting this information in the context of the course material. One of the goals of the QR-flagged course is to lead students towards carefully and precisely presenting quantitative information as well as inferences that such information permits, within the broader disciplinary context. A portion of the course will be devoted to your reading, communicating, and reasoning with quantitative information, as such information provides an oft-neglected perspective and can lead to conclusions which otherwise might not have been possible. The insights gained from the quantitative aspects, in concert with other perspectives, will help you form a more rigorous and robust understanding of the broader course topic(s).

**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 full 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. 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 on or more of the following: A “zero” for that assignment or test, an “F” in the course, and expulsion from the University.”

(Xavier University 2002 – 2004 Catalog, p. 66)

**DISABILITY SERVICES:** Qualified students with disabilities who will require disability accommodations in this class are encouraged to make their requests to me by sharing their Accommodation Letters with me at the beginning of the semester either during office hours or by appointment. Disability related information is confidential. If you have not previously contacted Disability Services, I encourage you to do so by phone (513) 745 – 3280, in person on the Fifth floor of the Conaton Learning Commons, Room 514, or via e-mail to Cassandra Jones at jonese20@xavier.edu, to coordinate reasonable accommodations as soon as possible as accommodations are not retroactive.
FINC 300: Business Finance
Tentative Calendar and Topics Outline

WEEK 1:
8/22   Course Introduction
8/24   Ch. 1   Introduction to Corporate Finance

WEEK 2:
8/29   Ch. 2   Financial Statements, Taxes, and Cash Flows
8/31   Ch. 2   Financial Statements, Taxes, and Cash Flows

WEEK 3:
9/5     Ch. 3   Working with Financial Statements
9/7     Ch. 3   Working with Financial Statements  HW#1 Due

WEEK 4:
9/12    EXAM 1 (Chapters 1 – 3)
9/14    Ch. 4   Introduction to Time Value of Money

WEEK 5:
9/19    Ch. 4   Introduction to Time Value of Money
9/21    Ch. 5   Discounted Cash Flow Valuation

WEEK 6:
9/26    Ch. 5   Discounted Cash Flow Valuation
9/28    Ch. 5   Discounted Cash Flow Valuation  HW#2 Due

WEEK 7:
10/3    EXAM 2 (Chapters 4 & 5)
10/5    NO CLASS – FALL HOLIDAY

WEEK 8:
10/10   Ch. 6   Interest Rates and Bond Valuation
10/12   Ch. 6   Interest Rates and Bond Valuation

WEEK 9:
10/17   Equity Markets and Stock Valuation
10/19   Equity Markets and Stock Valuation

WEEK 10:
10/24   EXAM 3 Review  HW#3 Due
10/26   EXAM 3 (Chapters 6 & 7)
WEEK 11:
10/31 Ch. 8 Net Present Value and Other Investment Criteria
11/2 Ch. 8 Net Present Value and Other Investment Criteria

WEEK 12:
11/7 Ch. 9 Capital Investment Decisions
11/9 Ch. 9 Capital Investment Decisions

WEEK 13:
11/14 Exercise in the Fifth Third Trading Center
11/16 EXAM 4 (Chapters 8 & 9) HW#4 Due

WEEK 14:
11/21 Ch. 11 Risk, Return, and the Security Market Line
11/23 NO CLASS – THANKSGIVING HOLIDAY

WEEK 15:
11/28 Ch. 11 Risk, Return, and the Security Market Line
11/30 Ch. 11 Risk, Return, and the Security Market Line

WEEK 16:
12/5 Ch. 12 Cost of Capital
12/7 Ch. 12 Cost of Capital

FINALS WEEK: Chapters 11 & 12
Tuesday, December 12th, 10:30 a.m. – 12:20 p.m.

SYLLABUS CHANGE POLICY: “Except for changes that substantially affect implementation of the evaluation (grading) statement, this syllabus is a guide for the course and is subject to change with advance notice.”