2012

FINC 300-07 Business Finance

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Williams College of Business  
Department of Finance  
Business Finance FINC 300-07  

SPRING 2012

Dr. Richard Hirte, CPA  
Office: 227 Smith Hall  
Office Phone: 513-745-3726  
Office hours by appointment  
4:00 To 6:00 pm Wednesday  
E-mail: hirtej@xavier.edu

Class Meeting Times:

Section 10984-FINC 300-07  
Wednesday evenings 6:00 to 8:30 pm  
Smith G-27

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


Additional Materials: PowerPoint Presentations may be used by the instructor as the basis for class discussions. Study guides will be provided to students prior to each exam. The study guide lists the type of problems and topic areas from which exam questions will be taken and the formula sheet to be attached to the exam. These will also be available on Blackboard.

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 financial 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 dividend policy theories, compare and contrast alternative short-term investment and financing policies for current assets, and identify some ethical issues in finance.

Course Format: The class meetings will be a mixture of class discussion and chapter assignments. Students are expected to fully participate through questions, comments, and group problem solving. Problems may refer to cases in the text or those developed by the instructor. Group membership will be assigned at the beginning on the semester based upon a balance of competencies, academic major, and class enrollment.
Students should prepare for class meetings by:

1. Reading assigned chapters prior to the class in which they are assigned.
2. Attempting the end of chapter questions and problems assigned in the course calendar prior to the class in which the chapter will be covered. The Critical Thinking (CT) questions in particular will be topics for in-class discussion.
3. Checking the solutions manual for answers to the problems and questions identified in the course calendar and asking questions when necessary. The instructor relies on student feedback to determine those chapter problems that should be worked during class meetings.
4. Bringing a calculator and the textbook to each class meeting to be able to participate in problem solving.
5. Familiarity with current business events.

Prerequisites: The course prerequisites of ACCT 200 will be strictly enforced. If students have not met this requirement they may be dropped from the course. Students must be competent in Algebra and EXCEL for classroom participation and spreadsheet assignments.

Attendance: A student missing more than one class meeting will not receive credit for the course, unless illness or other serious conditions contribute to the absence. The instructor reserves the right to determine what qualifies as excused absenteeism.

Academic Honesty: Xavier University policies regarding privacy rights, incomplete work, and academic honesty will be strictly enforced. If an incident of academic dishonesty occurs, the most severe disciplinary action will be taken. Students should consult the current Xavier catalog for review of these policies.

Performance Evaluation: Course grades will be determined as follows and applied to the total points available (200). Depending on schedule changes or individual section progress the number of exams/and/or points may change. The class will be notified in advance if this becomes necessary.

| Mid-Term Exam | 100 |
| Final Exam | 100 |

Exams will consist of short answer questions, multiple choice questions and problem solving. Students must demonstrate work on the problems to receive credit. Partial credit may be given on the problem part of the exam if the student shows the derivation of their answer. IE: The more work a student shows, the greater the potential for partial credit.

Spreadsheet assignments may be used to solve certain financial problems and explain certain concepts. These are designed to incorporate concepts in the text with real life applications. Students/Groups should be prepared to discuss and explain their work in the classroom setting.

Extra Credit: An opportunity may be provided for students to submit optional materials for extra credit. All assignments with the exception of group projects are to be done individually.
Grading Policy: Grades will be based upon your total points earned in the course. This distribution is as follows:

Total points available in the course are 200.
Cumulative points of 180 and above will be an A.
Points between 160 and 179 will be graded as a B.
Points between 140 and 159 will be graded as a C.
Points between 120 and 139 will be graded as a D.
Below 119 will be graded as a F.

Questions Regarding Grading: Any questions regarding grading of assignments or exams must be addressed within one week of return of the graded assignment or exam to the student.

Make-Up Exams: All exams must be taken on the date specified in the course calendar unless the instructor grants approval of a make-up exam PRIOR to that date. Without prior approval, make-up opportunities are limited to documented emergencies. Instructor discretion is used in determining whether a situation constitutes an emergency.

Teaching Style: Primarily consists of interactive lectures, practical corporate examples, and actively engaged classroom participation. Students are encouraged to ask questions, make observations, and share their thoughts on the relevant topic under discussion. My objective for each of you is to take away from this course the essentials of corporate finance and its contribution to the success of the business enterprise.

January 2012

Syllabus_WEDNESDAY_FINC300_07_SPRING 2012.doc
## BUSINESS FINANCE (FINC 300-07)  
**SPRING 2012 SCHEDULE**  
*Smith Hall, Room G27*  
*Wednesday 6:00 to 8:30 pm*

**THE SCHEDULE WILL REMAIN FLEXIBLE GIVEN THE SCOPE AND REQUIREMENTS OF THE COURSE**

<table>
<thead>
<tr>
<th>Week</th>
<th>Class Meeting</th>
<th>Chapter</th>
<th>Topic</th>
<th>Chapter Questions/Problems</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Introduction</strong></td>
<td>Wednesday, January 11, 2012</td>
<td>Introduction</td>
<td>Course expectations/Schedule</td>
<td>Ch. 1: Critical thinking (CT) 1,3,5,6</td>
</tr>
<tr>
<td><strong>Understanding Financial statements and Cash Flows</strong></td>
<td>Wednesday, January 18, 2012</td>
<td>Chapter 2</td>
<td>Financial Statements, Taxes, and Cash Flows</td>
<td>Ch. 2: Dole Cola: QP 1,3,7,10,14,15</td>
</tr>
<tr>
<td></td>
<td>Wednesday, January 25, 2012</td>
<td>Chapter 3</td>
<td>Analyzing Financial Statements (ratio analysis)</td>
<td>Ch. 3: Wildhack, INC.: QP 1,2,4,15,16</td>
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<td></td>
<td>Wednesday, February 01, 2012</td>
<td>Chapter 4</td>
<td>Time Value of Money</td>
<td>Ch 4: CT 1,2,3,4; QP 1,2,3,4,5,6,7,8,11,15,17</td>
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<td>Wednesday, February 08, 2012</td>
<td>Chapter 5</td>
<td>Discounted Cash Flow Evaluation</td>
<td>Ch 5: CT 1,7,8; QP 1,3,7,12,20,21,31,41</td>
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<td></td>
<td>Wednesday, February 15, 2012</td>
<td>Chapter 4/5</td>
<td>Review/Recap</td>
<td>Understand problems 58 &amp; 60 (practical example)</td>
</tr>
<tr>
<td><strong>Valuation of Future Cash Flows</strong></td>
<td>Wednesday, February 22, 2012</td>
<td>Chapter 6</td>
<td>Interest Rates and Bond Valuation</td>
<td>Ch 6: CT 5,6,8; QP 3,4,5,6,7,15,16</td>
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<td></td>
<td>Wednesday, February 29, 2012</td>
<td>Chapter 6/7</td>
<td>Interest Rates and Bond Valuation</td>
<td>Ch 6: Homework Continued</td>
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<td></td>
<td>Wednesday, March 07, 2012</td>
<td>Winter Break</td>
<td>No Classes</td>
<td></td>
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<td>Wednesday, March 14, 2012</td>
<td>MID-TERM EXAM</td>
<td>Chapters 1 – 7</td>
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<tr>
<td><strong>Capital Budgeting</strong></td>
<td>Wednesday, March 21, 2012</td>
<td>Chapter 8</td>
<td>Investment Criteria/Cost of Capital (CH-12)</td>
<td>Ch 8: R&amp;S.T: QP 2,3,5,6,8,9,11,15</td>
</tr>
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<td></td>
<td>Wednesday, March 28, 2012</td>
<td>Chapter 9</td>
<td>Investment Criteria/Cost of Capital (CH-12)</td>
<td>Ch 8: Homework Continued</td>
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<td></td>
<td>Wednesday, April 04, 2012</td>
<td>Chapter 9</td>
<td>Capital Investment Decisions</td>
<td>Ch 9: CT 2,9,10; QP 2,5,9,10,13,18,19</td>
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<td>Wednesday, April 11, 2012</td>
<td>Chapter 8-9</td>
<td>Review/Concept Consolidation</td>
<td>Ch 9: Homework Continued</td>
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<tr>
<td><strong>Risk and Return</strong></td>
<td>Wednesday, April 11, 2012</td>
<td>Chapter 10</td>
<td>Capital Market History</td>
<td>Ch 10: CT 7; QP 1,2,3,4,13,14,21</td>
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<td>Wednesday, April 18, 2012</td>
<td>Chapter 11</td>
<td>Risk and Return</td>
<td>Ch 11: CT 3; QP 1,3,4,7,10</td>
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<td><strong>Long Term Financing</strong></td>
<td>Wednesday, April 25, 2012</td>
<td>Chapter 12</td>
<td>Cost of Capital</td>
<td>Ch 12: CT 2,3,4; QP 1,5,6,9,15</td>
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<td></td>
<td>Wednesday, May 02, 2012</td>
<td>Chapter 12</td>
<td>Cost of Capital</td>
<td>Ch 12: CT 2,3,4; QP 1,5,6,9,15</td>
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</tbody>
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Prior to each class the Chapter and homework assignments should be covered/completed. Students should be prepared to respond to the homework assignments and demonstrate knowledge of the topic. Homework is a key element in assisting you in preparation for the exams and success in the course. **Students should be prepared to present and/or hand in assignments.**

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