

2017

FINC 300-06 Business Finance

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Xavier University
FINC 300-06: Business Finance - Spring 2017

Instructor: Tim Kruse

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Office Hours: T/TH 9:00 to 10:00 am & W 10:00 am to 12:00 pm & 1:30 to 3:30 pm

Office: 232 Smith Hall

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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.

The Williams College of Business has chosen to emphasize the following learning goals in its undergraduate business curriculum.

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. The goal 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).

Prerequisites: Finance 300 students must have completed Accounting 200.

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. In particular, I will focus on the big decisions that are typically made by corporations. The course will also introduce students to spreadsheets and sources of financial information on the web. The course is designed to prepare those students with an interest in additional finance courses with the foundation needed to continue in the curriculum. Ultimately my goal is to help students understand how finance will affect them professionally and personally. Additionally, I will spend some time covering the important finance related topics in the news.

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, and discuss firms' capital structure and dividend policies.

Course Materials: Ross, Westerfield, and Jordan, *Essentials of Corporate Finance*, 8th edition, McGraw-Hill/Irwin. I will post additional materials including articles and Power Points on Canvas. All outside announcement will be made through Canvas.

<https://connect.mheducation.com/class/t-kruse-finc-300-05>

<http://shop.mheducation.com/mhshop/productDetails?isbn=1260120120>

Classes: Each class will be a mix of lecture/presentation, discussion, and group problem solving. You are encouraged to participate through questions and comments. Bring your calculator and textbook to each class meeting to ensure active learning. The typical class meetings will begin with a short discussion of issues raised in the news.

Attendance is not mandatory, however, it is strongly recommended. While I do provide PowerPoint slides, there will be “holes” in them. Students are responsible for all in-class announcements (which will be in the first few minutes of class) and schedule changes.

Calculators: It is the student's responsibility to obtain a usable calculator before the first exam – **no smart phones are allowed during exams NOR may they be visible in any way.**

Xavier University policies regarding privacy rights, incomplete work and attendance, and academic honesty will be strictly enforced. If an incident of academic dishonesty occurs, the most severe disciplinary action will be taken. Please see the current University catalog.

Office of Student Success: 514 Conaton Learning Commons

Phone: 513-745-3036

Email: studentretention@xavier.edu

The Staff in the Office of Student Success is available to assist students to make the most of their Xavier experience. Personal staff consultations, success coaching, referrals to on-campus Solution Centers, and guiding students to effectively navigate their college experience are central to our work.

Students with disabilities: 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 at 513-745-3280, in person on the Fifth Floor of the Conaton Learning Commons, Room 514, or via e-mail to Cassandra Jones at jonesc20@xavier.edu, to coordinate reasonable accommodations as soon as possible as accommodations are not retroactive.

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 Disability Services (located in the Learning Assistance Center) 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.

Grading: I will provide theoretical grade distributions following the first two exams. I typically follow the standard 90/80/70/60 distribution with the top/bottom 2 or 3 people in each range earning +/- of that grade.

Exams (3 at 100 points each)	300 points
Connect assignments	100 points
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Total	400 points
Adjustment for texting, etc. in class	up to negative 40 points

Homework: The homework will be completed using McGraw-Hill Connect. Typically, there will be one assignment per chapter and will be due two or three days after we complete the material. Students having difficulty with the problems are encouraged to see me. I will have Connect provide solutions on the date they are due. Therefore, NO late assignments will be accepted under any circumstances. If you are sick or have some other documented absence, I will prorate your scores on the remainder of the assignments.

Exams: Exams will be a mixture of multiple choice questions, short answers/essay, and problems. Partial credit is given on exams and all work must be shown on the problems. 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 I grant approval of a make-up exam PRIOR to that date. Without prior approval, make-up opportunities are limited to documented emergencies, the determination of which is up to my discretion. The sooner you contact me about any problems, the better your chances of working something out. It will be the student's responsibility to schedule a time for a makeup exam before the next class meets – no exceptions.

Technology in the classroom: Computers, phones, and tablets make you look like zombies when you have your screens on during class. As such, they are not permitted during lectures because they are distracting to you, to your fellow students, and to me. The temptation to watch cat videos and use Snapchat to set up your parties is too strong. I can't compete with cat videos or parties with your friends.

If I have to ask you to put your phone away more than once over the course of the semester, you decidedly will receive the lower grade if you are on the bubble. However, I do understand life sometimes intervenes. If you have a job interview to set or something equally serious, please let me know **beforehand** and I will make exceptions.

Extra credit: To ensure fairness, no individual extra credit work is available. However, there probably will be a few instances where I give the entire class a chance to earn some extra points.

Important Dates

February 14 (Tuesday) – test 1

March 2 – No class

March 7 & 9 – Spring break – No Class

March 28 (Tuesday) – test 2

April 13 (Thursday) – Easter break – No class

May 4 (Thursday of Finals week) – test 3 – 8:30 a.m. to 10:20 p.m.

Topic List (subject to change, probably optimistic)

1. Overview of Finance – Chapter 1
2. Overview of financial statements – Ch 2, Sections 1 to 3
3. Working with financial statements – Ch 3
4. Time Value of Money – Chapter 4
5. Discounted Cash Flow Valuation – Chapter 5
6. Interest Rates and Bond Valuation – Chapter 6
7. Equity Markets and Stock Valuation – Chapter 7
8. Net Present Value etc – Chapter 8
9. Making Capital Investment Decisions – Chapter 9
10. Capital Market History – Chapter 10
11. Risk and Return – Chapter 11
12. Cost of Capital – Chapter 12
14. Raising capital – Chapter 15