2016

300-09 Business Finance

Mia Rivolta
Xavier University

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Syllabus

Xavier University
Williams College of Business
Dr. Mia Rivolta

Finance 300-09
Business Finance

Class Time: TR 4:00 – 5:15pm. Location Smith Hall 249.
Office Hours: TR: 10:00am – 11:30am, Wednesday 1:00-3:00pm, or by appointment

I. COURSE DESCRIPTION AND OBJECTIVES:

Finance 300 has three main objectives:
1. Understanding the tools used in financial management
2. Examine firm financing/capital structure decisions
3. Investigate the instruments used by firms to alter their capital structure

By the end of this class, students should be able to understand the basic principles and techniques used in the financial management of a business. The purpose of this course is to introduce the student to the fundamentals of Finance, with special emphasis on financial decisions within the context of a business enterprise.

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).

II. PREREQUISITE
Finance 300 students must have completed Accounting 200 minimum grade C

III. REQUIRED MATERIAL
• The required text is

• Calculator: All students are required to bring a financial calculator. The recommended calculator is the Texas Instruments BAII Plus Financial Calculator. As this is a finance class and not a class on how to use your calculator, YOU NEED TO KNOW HOW TO USE YOUR CALCULATOR!

• I will hand out additional relevant readings or make them available on Canvas.

In addition, a copy of the class powerpoint slides is available on the class Canvas. You are required and expected to have downloaded and reviewed the appropriate notes before each class.
IV. ACADEMIC HONESTY
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 fullest 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 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 2002-2004 Catalog, p. 66)

V. MISSION OF THE WILLIAMS COLLEGE OF BUSINESS
We educate students of business, enabling them to improve organizations and society, consistent with the Jesuit tradition.

VI. COURSE AND CLASS SESSION STRUCTURE

The class will be taught as a combination of lectures and class discussions. This implies that the students are expected to assume certain responsibility for the content of the class.

Exams
During the semester, there will be FOUR written exams, closed books and performed in the classroom. Each exam will be graded on a 100 points scale and be in the form of multiple choice, problems, and short answer questions. Examinations will be on the scheduled days as mentioned on the Exam Schedule. The instructor will NOT return the exams. Students need to bring their own calculator for the exams. The overall exam grade, which accounts for 60% of the final grade, will be calculated as the average of the highest 3 out of 4 exam grades (i.e., the three exams with the highest grade will each account for 20% of the final grade).

No “make-up exams” will be given unless they are arranged for in advance of the examination date. If you miss an exam without prior approval, you will receive a grade of “0.” If you wish to appeal a grade, you must submit the exam and a brief discussion in writing on why a different grade is warranted. Appeals must be delivered to me no later than one week following the date the exam grade is posted. Note that I reserve the right to re-grade all questions on the exam.

Quizzes
Students are required to have their own textbook and do the assigned readings and homework prior to the class meeting. Quizzes will be given to evaluate student’s knowledge of the readings at the beginning of certain class meetings. Quizzes will be given randomly as a check for attendance. There will be NO makeups for the quizzes. Each quiz will be worth 100 points. Quizzes will count for 15% of student’s final grade. There will be 5 quizzes in total this semester.

Excel Project
One Excel project will be assigned. NO LATE PROJECTS WILL BE ACCEPTED. You must work on this assignment in groups of two or three using Excel. Spreadsheets must be submitted using Canvas. This project is due no later than 11:59pm on the listed due dates on the preliminary class schedule. Due dates are presented in the Schedule of Classes below. You only need to hand in 1 electronic copy of the assignment (with all of 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. We will discuss the details on how to submit your work on Canvas in class.

Homework/Assignments:
There will be several assignments after each topic we cover in class. These assignments are not to be turned in, and will not be graded. However, questions in the homework will be tested on the quizzes. Therefore, it is important that you complete your homework assignments on time to do well on the quizzes. Solutions of the assignments will be posted on Canvas.

In-Class Problems:
In-class problems will be given during class period. These assignments serve the sole purpose of helping students understand the material, and will not be graded. However, completing these problems is highly recommended, as they will help you solve problems in the exam, and better understand financial management concepts.

Canvas:
Canvas is an essential tool for instructors and students. Grades will be reported on Canvas on a regular basis. It is the students’ responsibility to monitor the accuracy of their grades, and notify the instructor in cases of discrepancies between Canvas grades and actual grades.

Grading:
There will be four closed book examinations for the course as outlined below. The first three exams will be during class time and the final exam is during the University examination period as assigned per this class. The first three exams are non-cumulative while the final exam is cumulative. Assignments via email will not be accepted! Even if you have a documented excused absence, please arrange to have your assignment delivered to me by its due date if at all possible. Please circle all final answers on tests and carry out all calculations to at least 2 digits to the right of the decimal. You may use any calculator you wish for the exams. Just make sure that you calculator can do natural logs, reciprocals, and exponentiation. Please note that the finance department has adopted the TI BA II Plus as the required financial calculator for many of the upper level finance classes. You must clear all memory registers before each exam.

When a test or graded assignment is returned to you, you have one week from the date of its return to bring to my attention any request for grade changes. All regrading request must be fully explained in writing and must be signed. In addition, the original paper must accompany the request for a regrade. After the one-week deadline has passed, no further grade changes will be made for that particular test or assignment. The purpose of this deadline is not to discourage grade changes, but to assure that any necessary changes are promptly made and to allow you as the student to have an accurate and current indication of your performance in the class. Please note that in the case of excessive requests for regrades, the instructor reserves the privilege of regrading the entire paper.
The grading will be based upon the traditional 10-point scale with the bottom three percent of the grading range receiving a ‘minus’ and the top three percent receiving a ‘plus’ (where applicable – by University policy a ‘plus’ designation is not available on a grade of ‘A’). See grades breakdown on page 4.

**Help Outside Class**
Students may use office hours to seek help on any problems that he or she may have related to this course.

**Communication Policy**
(a) E-mail is the preferred mode of communication. Use Canvas or the official “@xavier.edu” e-mail address to contact the instructor via e-mail.
(b) The instructor will send all announcements using Canvas system. So the student is responsible for visiting the course page on Canvas and checking the official “@xavier.edu” email regularly.
(c) Students must use the official “@xavier.edu” e-mail address or Canvas to contact the instructor via e-mail. The instructor will NOT respond to any messages or notification sent from non-Xavier e-mail addresses.
(d) The instructor will not disclose grade over the telephone or e-mail. Grades will be posted on Canvas during the semester.

**VII. ATTENDANCE AND PARTICIPATION**

Attendance is compulsory for the Finance Department. Your comments, feedback and class participation will help make this class much more interesting. I will take attendance, frequently, and missing classes will adversely affect your grade. If you are unable to attend a class, it is requested that you notify me, by e-mail, and make arrangements with a fellow student to collect handouts and share class lecture notes BEFORE class. Laptops are allowed in the classroom for course work (FINC 300) only. If a student is caught using Facebook, Twitter, emails, or any other social media that could disturb other students’ learning, he/she will receive a -1 for course professionalism. A student can lose up to 100 points for course professionalism.

If you miss an exam or fail to turn in assignment(s) 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 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 will arrive on time for class and I expect you to do the same. I reserve the right to adjust your grade as I see fit for repeated tardiness or other classroom disturbances. In addition, please turn off all cell phones before you come into class.
VIII. ACADEMIC ACCOMMODATIONS

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.

EVALUATION & GRADING

<table>
<thead>
<tr>
<th>Evaluation Type</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>1. Exam 1</td>
<td>20%</td>
</tr>
<tr>
<td>2. Exam 2 (Midterm)</td>
<td>20%</td>
</tr>
<tr>
<td>3. Exam 3</td>
<td>20%</td>
</tr>
<tr>
<td>4. Final Exam</td>
<td>20%</td>
</tr>
<tr>
<td>5. Excel Project</td>
<td>15%</td>
</tr>
<tr>
<td>6. Quizzes</td>
<td>15%</td>
</tr>
<tr>
<td>7. Professionalism</td>
<td>10%</td>
</tr>
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</table>

A 93% or better
A- 90%-92.99%
B+ 87%-89.99%
B 83%-86.99%
B- 80%-82.99%
C+ 77%-79.99%
C 73%-76.99%
C- 70%-72.99%
D+ 67%-69.99%
D 63%-66.99%
D- 60%-62.99%
F Below 60%
**Schedule of Classes FINC 300 (preliminary and subjected to changes):**

<table>
<thead>
<tr>
<th>Date</th>
<th>Chapter</th>
<th>Topic</th>
<th>Assignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>23-Aug</td>
<td>Chapter 1</td>
<td>Introduction of the course</td>
<td>Read Ch 1</td>
</tr>
<tr>
<td>25-Aug</td>
<td>Chapter 1</td>
<td>Financial Management Introduction</td>
<td>Read Ch2</td>
</tr>
<tr>
<td>30-Aug</td>
<td>Chapter 2</td>
<td>Financial Statements</td>
<td>HW#1</td>
</tr>
<tr>
<td>1-Sep</td>
<td>Chapter 2 &amp; 3</td>
<td>Financial Statements &amp; Working with Financial Statements</td>
<td>Read Ch3</td>
</tr>
<tr>
<td>6-Sep</td>
<td>Chapter 2 &amp; 3</td>
<td>Working with Financial Statements &amp; Work HW #1</td>
<td>HW#2</td>
</tr>
<tr>
<td>8-Sep</td>
<td>Chapter 3</td>
<td>Review for Exam 1 &amp; Work HW#2</td>
<td></td>
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<tr>
<td>13-Sep</td>
<td>Exam 1</td>
<td>Chapters 1-3</td>
<td>Read Ch4</td>
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<tr>
<td>15-Sep</td>
<td>Chapter 4</td>
<td>Time Value of Money</td>
<td>HW#3</td>
</tr>
<tr>
<td>20-Sep</td>
<td>Chapter 4 &amp; 5</td>
<td>Time Value of Money &amp; Discounted Cash Flow Evaluation</td>
<td>Read Ch5</td>
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<tr>
<td>22-Sep</td>
<td>Chapter 4 &amp; 5</td>
<td>Discounted Cash Flow Evaluation &amp; Work HW#3</td>
<td>HW#4 &amp; Read Ch6</td>
</tr>
<tr>
<td>27-Sep</td>
<td>Chapter 6</td>
<td>Interest Rates and Bond Valuation</td>
<td>HW#5</td>
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<tr>
<td>29-Sep</td>
<td>Chapter 6</td>
<td>Interest Rates and Bond Valuation</td>
<td>Read Ch11</td>
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<td>4-Oct</td>
<td>Chapters 4-6</td>
<td>Exam 2 review and Work HW#5</td>
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<tr>
<td>6-Oct</td>
<td></td>
<td>FALL BREAK – NO CLASS</td>
<td></td>
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<tr>
<td>11-Oct</td>
<td>Exam 2</td>
<td>Chapters 4-6</td>
<td></td>
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<tr>
<td>13-Oct</td>
<td>Chapter 11</td>
<td>Risk and Return</td>
<td>HW#6</td>
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<tr>
<td>18-Oct</td>
<td>Chapter 11</td>
<td>Risk and Return &amp; Capital Asset Pricing Model</td>
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<tr>
<td>20-Oct</td>
<td></td>
<td>FMA-Class Cancelled</td>
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<tr>
<td>25-Oct</td>
<td>Chapter 11</td>
<td>Capital Asset Pricing Models</td>
<td>Read Ch7</td>
</tr>
<tr>
<td>27-Oct</td>
<td>Chapter 11 &amp; 7</td>
<td>Stock Valuation (Models) &amp; Work HW #6</td>
<td>HW#7</td>
</tr>
<tr>
<td>1-Nov</td>
<td>Chapter 7</td>
<td>Stock Valuation (Models)</td>
<td>Read Ch8</td>
</tr>
<tr>
<td>3-Nov</td>
<td>Chapter 8</td>
<td>Net Present Value and Other Investment Criteria &amp; Work HW #7</td>
<td>HW#8</td>
</tr>
<tr>
<td>8-Nov</td>
<td>Chapter 8 &amp; 9</td>
<td>Net Present Value and Other Investment Criteria &amp; Making Capital Investment Decisions</td>
<td>Read Ch9</td>
</tr>
<tr>
<td>10-Nov</td>
<td>Chapter 9</td>
<td>Making Capital Investment Decisions</td>
<td>HW#8 Continued</td>
</tr>
<tr>
<td>15-Nov</td>
<td>Chapter 9</td>
<td>Excel Project Demo &amp; Work HW #8</td>
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</tr>
<tr>
<td>17-Nov</td>
<td>Chapters 7-9, 11</td>
<td>Exam 3 Review</td>
<td></td>
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<tr>
<td>22-Nov</td>
<td>Exam 3</td>
<td>Chapters 7-9, 11</td>
<td></td>
</tr>
<tr>
<td>24-Nov</td>
<td></td>
<td>THANKSGIVING BREAK-NO CLASS</td>
<td>Read Ch12</td>
</tr>
<tr>
<td>29-Nov</td>
<td>Chapter 12</td>
<td>Cost of Capital</td>
<td>HW#9 &amp; Excel Project Due</td>
</tr>
<tr>
<td>1-Dec</td>
<td>Chapter 12</td>
<td>Cost of Capital</td>
<td></td>
</tr>
<tr>
<td>6-Dec</td>
<td>Chapter 12</td>
<td>Work HW#9</td>
<td></td>
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<tr>
<td>8-Dec</td>
<td>All Chapters</td>
<td>Final Exam Review</td>
<td></td>
</tr>
</tbody>
</table>

Final Exam: Tuesday, December 13, 4:00 pm – 5:50 pm
Learning Goals – Williams College of Business
Undergraduate Program

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

  *Corresponding Objectives:*
  
  - (1) WCB students will collect, evaluate and synthesize information to offer solutions and support decision making.
  
  - (2) WCB students will evaluate and articulate implications of business decisions and their impact on organizational stakeholders, both individually and in teams.

- **Ethics and Social Responsibility**
  *Learning Goal:* 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.

  *Corresponding Objectives:*
  
  - (1) WCB students will recognize ethical issues and their implications on personal and business decisions.
  
  - (2) WCB students will demonstrate the skills necessary to analyze information and make informed, ethical decisions in complex, conflicting or ambiguous environments or situations.

- **Effective Written and Oral Communication**
  *Learning Goal:* 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.

  *Corresponding Objectives:*
  
  - (1) WCB students will produce business documents and reports demonstrating their ability to organize and communicate ideas clearly and professionally.
  
  - (2) WCB students will make effective presentations, accompanied by the appropriate technology, demonstrating their ability to organize and communicate ideas clearly and professionally, both individually and in teams.

- **Global Perspective and Cultural Diversity**
  *Learning Goal:* 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.
Corresponding Objectives:

- (1) WCB students will identify and contrast key attributes of countries’ business environments.
- (2) WCB students will evaluate and integrate global economic, political, technological, environmental and societal issues into their decision making.
- (3) WCB students will integrate the concepts of respect, inclusiveness and valuing all persons into their decision making.

Understanding and Application of Knowledge Across Business Disciplines

*Learning Goal:* 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.

Corresponding Objectives:

- (1) WCB students will demonstrate the appropriate knowledge of accounting, economics, finance, management, management information systems, marketing, quantitative business analytics, international issues, and the legal and social environment of business.
- (2) WCB students will evaluate business problems from an integrative point of view, including diverse business functions, competition and external environment (social, political, economic, and environmental.)
- (3) WCB students will demonstrate college-level mastery of the body of knowledge and skills relative to their major. (To be determined at the departmental level.)

Personal and Professional Development

*Learning Goal:* WCB graduates will be well-prepared for their future careers and appreciate the importance of continuous professional development and life-long learning.

Corresponding Objective:

- WCB students will articulate career goals, prepare a professional resume, demonstrate behavior-based interviewing techniques and develop a professional network.