

Course Syllabus - Finance 311
Business Finance - Fall 2001

Instructor: Stuart E. Michelson, Ph.D.
School of Business. Room 256, (386) 822-7376
Email: smichels@stetson.edu
Web: <http://www.stetson.edu/~smichels/>

Office Hours: Monday, Wednesday. 1:00 – 3:00 pm or by appointment.

Catalog description: Introduction to the financial function, theory of finance, elementary financial management.

Prerequisites: ATG 211 and 212 (Financial and Managerial Accounting), ES 101 (Principles of Economics - Macro), and IS 191 (Introduction to Information Technology). These are required prerequisites.

The PC is used in this course; certain assignments and the computer projects **must** be completed using a spreadsheet and a word processing program. Students enrolling without fundamental skills in these courses and software may find the course difficult and time consuming. Students are expected to make their own arrangements to review and learn the course material and software programs.

Note: Use of a calculator is highly recommended for the problems and exams. If selecting a calculator at this time, a financial calculator is recommended. (Two recommendations are the HP-10B and the TI-BAll Plus)

Text: Ross, Westerfield, Jordan, *Essentials of Corporate Finance*, 3rd Ed., Irwin Publ., 2001

- **Wall Street Journal:** Regular reading of the WSJ is **required**. Semester subscriptions to this publication will be available on a student discount basis.
- **Student Study Guides** (*Student Problem Manual*) are not required, but they are available in the bookstore for purchase.

Course Objective: To introduce the business student to the tools and techniques of decision making in finance. Upon completion of this course, students should:

1. Understand the characteristics of financial markets and instruments, and be conversant in financial technology.
2. Understand the finance function within business organizations.
3. Be able to analyze and interpret financial information so one can make effective and informed business decisions.

Attendance is required and students are held responsible for all materials and assignments made in class. Also, in order to participate in class discussions, students must be attending class.

Grading:	Midterm Exam 1	100
	Midterm Exam 2	100
	Final Exam	100
	Wall Street Journal Assignments	50
	Computer Projects	50
	Individual Quizzes	50
	Group Quizzes	50
	Class preparation and participation	<u>25</u>
	Total Points	525 points

The final course grade will be determined on a straight percentage basis, as follows:
90-100% = A, 80-89% = B, 70-79% = C, 60-69% = D, and below 60% = F.

The **ethical** implications of financial decisions and current financial issues will be discussed as each topic is covered. **International** topics are covered throughout the text and will be integrated into the course during the semester.

Exams: Two midterm exams and a final exam covering the previous period's material will be given. The final exam will only be comprehensive for those missing one of the midterm exams. No make-up exams will be given. Students are expected to take each exam at its scheduled time. If, for extraordinary reasons, a student misses a midterm examination, then the weight of the comprehensive final exam will be increased by the weight of the missed exam. It is the student's responsibility to demonstrate prior to the exam that the reason for missing the exam are both extraordinary and in compliance with university policies.

Otherwise, no credit will be given for the exam.

Homework problems and reading assignments will be assigned on a regular basis. The homework will not be collected, although you are responsible for completing the homework by the due date. Since the exams consist primarily of problems, failure to work the homework problems will result in poor exam performance.

Quizzes: Group and individual quizzes will be given on a regular basis. The quizzes will cover the material in the chapter assigned (about to be covered) and the homework assignments previously due. You are responsible for all quizzes given and there will be no make up quizzes. You will forfeit the quiz points if you miss a quiz.

Group Participation: Group members will evaluate each other's performance at the end of the semester. Up to 50% of your quiz points can be affected by the peer evaluations.

Class Participation: As indicated above, part of the grade will be based on class preparation and participation. Each student will be responsible for adequately preparing for each class and will be expected, over the semester, to make a positive contribution to class discussion. You must attend class regularly to receive credit for class participation. Do not assume the class participation grade is a given, to receive full credit you must attend class and participate regularly.

Computer Projects: Two computer spreadsheet projects (25 points each) will be assigned during the semester. The assignments are individual projects, although students may work together, but all work turned in must be your own. Students caught copying others work will be given a zero for the assignment. Late projects will not be accepted. Projects are considered late after the start of the class in which they are due. Also, you are considered sophisticated computer users, so "the dog ate my homework" excuses are not acceptable. Back up your work frequently (on two disks), use virus protection, and don't wait until the last minute to print your assignment.

Ethical Conduct: The student conduct code will be upheld in its entirety. You will be given an F for the class or expelled, as applicable. Cheating in any form will not be tolerated.

Course Outline

<u>Topic</u>	<u>Chapter</u>	<u>No. of Weeks</u>
Introduction to Financial Management	1	1
Financial Statements, Taxes, and Cash Flow	2	1
Working with Financial Statements	3	1
Time Value of Money	4	1
Discounted Cash Flow Valuation	5	1
Midterm Exam 1		
Interest Rates and Bond Valuation	6	1
Equity Markets and Stock Valuation	7	1
Net Present Value	8	1
Making Capital Investment Decisions	9	1
Midterm Exam 2		
Lessons from Capital Market History	10	1
Risk & Return	11	1
Cost of Capital	12	1
Summary and Conclusions		
Final Exam		

Homework problems and reading assignments will be assigned as the semester progresses.

Wall Street Journal Assignment: There will be two Wall Street Journal Assignments this semester; one written and one oral.

A. Requirements for the **written assignment** are as follows:

1. Find a WSJ article that relates to the current or previous chapter's material that has been covered in the previous two weeks. The article must also be current (within the previous two weeks). Only use articles from the front page of Section C of the Wall Street Journal. Do not use articles titled "Monday's (or any other day) Markets."
2. Prepare a one-page, typed, double-spaced write-up of the article. Use Times Roman 12 point font, or equivalent. Use normal 1-inch margins on sides, top, and bottom. The heading and title of the article should only take up 2 lines.
3. The write-up should summarize the article, discuss how it relates to our current topics in class, and explain your opinion or interpretation of the article. Grading will also consider grammar, writing style, and composition.

4. Be careful of plagiarism. Any write-up that plagiarizes the article will receive a zero.
 5. You must also attach and turn in a copy of the article.
 6. The assignment is 25 points and is included in the total points.
- B. Requirements for the **presentation** are as follows:
1. Each group must sign up for one presentation. We will have presentations every Monday. There will be from one presentation per week. This assignment will be written and presented by your group.
 2. The article will be selected and written up as described above (for the written assignment).
 3. Presentation should be brief (about 5 minutes) and include a summary of the article and how it relates to our current topics. One or two questions should be prepared to motivate class discussion.
 4. The class is expected to participate in a discussion of the article.
 5. A portion of the course grade will be based on this presentation. Participation by the class during discussion will also be evaluated in the course participation grade. Exam questions may also come from some of the articles that are discussed.
 6. At the conclusion of the presentation (the day you present) you must turn in a copy of the WSJ or Barron's article and a typed copy of your summary of the article (about one page).