

**Belmont University - Finance 3210 - Business Finance  
Fall 2018**

Instructor: Dr. Joe Smolira  
Credit: 3 hours  
Location: MC 305  
Meeting time: 11:00 – 12:15 T-R  
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Office hours: Tue and Thur: 10:30 – 11:00, 2:30 – 4:30  
Wed: 3:00 – 6:15  
and by appointment

These are my official office hours, but my door is generally open, even when I am in my office on weekends. I am always willing to help on course-related matters, and finance in general. If you have questions that didn't get answered in class, please stop by my office. You are also welcome to give me a call or email me.

**Course Overview:**

The primary goal of the course is to help you understand how the application of financial principals can help company management increase the value of a company. The topics we discuss will help you understand the “why” of how financial decisions are made, in addition to the “how” of how these decisions are made. The secondary goal of this course is to help you understand how decisions made by corporations impact your future financial health, as well as how to make to make personal financial decisions. For example, when many of you graduate, you will have student loans. How much will your monthly payments be? How much will you be able to spend for the new car you want? How soon can you get your first million dollars? This course will give you a foundation for understanding these and other important financial decisions.

**Course Resources:**

Text:

*Essentials of Corporate Finance*, 9<sup>th</sup> edition, Ross, Stephen A., Randolph W, Westerfield and Bradford D. Jordan, McGraw-Hill/Irwin, 2016.

Connect:

You will also need to obtain a Connect account on the web to do your homework and on line quizzes. The class home page for Connect for your section is listed in the heading of the syllabus.

Connect will allow you to rework problems to master the important financial concepts we will discuss.

You have 3 options regarding textbook/Connect purchase:

- (1) You can purchase a new text (loose leaf) and Connect from the bookstore.
- (2) You can purchase a used text at the bookstore (or anywhere else) and purchase Connect online (at the class Connect page).
- (3) You can purchase an electronic copy of the text and Connect online using the class website.

How to register: <http://connect.customer.mcgraw-hill.com/students-how-to-order/>  
Class Connect site: <http://connect.mheducation.com/class/j-smolira-fin-3210-fall-2018>

Computer:

Financial calculations will be done using Excel. You may use your laptop or the computers in class. Excel will be used for exams. I will demonstrate Excel financial functions in class, and will be available after class and during office hours for consultation.

Spreadsheets:

Class spreadsheets which are available on my webpage.

**Course information:**

Description:

FIN 3210: Business Finance (3). *Prerequisite: ACC 2410 or ACC 2430 or ACC 2440; and Prerequisite or co-requisite: MTH 1150.* This course contains an overview of basic financial concepts, tools and techniques used by financial managers of public corporations: financial instrument and project evaluation, sources of funding and strategic financial decisions.

Objectives:

After completion of this course you should be able to:

- Understand how to evaluate business economic activity through ratio analysis.
- Understand the difference between net income and cash flow analysis.
- Understand the importance of and underlying calculations for the time value of money.
- Understand the principles underlying stock and bond pricing.
- Understand the relation between risk and return as it relates to asset valuation.
- Understand the capital budgeting process.

Methods of Instruction:

Learning in this course is derived primarily from class discussion, homework assignments, quizzes and examinations. Students will benefit most from class if they have read the assigned material and completed the assigned homework problems.

Mission Statement of the College of Business Administration:

The mission of the College of Business Administration is to be an innovative learning community that prepares entrepreneurial, ethical and socially responsible future business leaders for the dynamic global economy.

Student Learning Outcomes of the College of Business Administration:

Students will be able to:

1. Communicate effectively orally and in writing.
2. Demonstrate the ability to effectively collaborate in business contexts.
3. Utilize analytical, quantitative, and technical concepts and methods to identify and propose solutions to business problems.
4. Recognize ethical issues, argue the principles involved, and assess the potential consequences in the process of making socially responsible decisions.
5. Understand global business issues including the diverse legal, economic and cultural environments of business.
6. Recognize and assess the risk and potential benefits of new enterprise.
7. Demonstrate basic understanding of the disciplines included in the business core.

## Keys to Success in FIN 3210

*Always feel free to ask me any question on any work. Stop by my office sometime.*

Learning in this course is derived primarily from class discussion, online quizzes and homework, and examinations. Students will benefit most from class if they have read the assigned material before class.

The way to be successful in this class is to *work problems and ask questions*. Watching me or others work problems is not the same as working them yourself. After you see me or someone else work a problem, work another similar problem by yourself. Also, when you are working problems, work the problem without the Solutions Manual. Solutions to all end-of-chapter problems will be emailed to you. It is easy to convince yourself “That’s what I would have done” when you are looking at the solution. When working a problem, ask yourself “why” you did it this way, not just “how”. To be successful, this class does require a significant commitment outside of class time. Six to eight hours a week outside of class would not be unusual.

You may want to consider forming a study group early in the semester (Don’t wait until right before the first exam). Study groups allow you to learn from your peers. It will also allow you to explain important topics to your peers, which will help you understand the topic better yourself.

Peer tutors will be available. The dates and times for peer tutors will be announced in class. Peer tutors are generally upper level Finance majors, or occasionally non-Finance majors who have already taken this class, done well, and liked the material (Shocking!). The peer tutors can help you work through problems and develop a better understanding of the concepts we are discussing.

*Always feel free to ask me any question on any work. Stop by my office sometime. It really is a nice office!*

### **Course Requirements:**

#### Exams

Three in class, open book, open note exams will be given, including the final exam. The exams will be in Excel. At the end of the exam, you are responsible for emailing the electronic version to me. You are also responsible for printing the exam and turning the printed version to me at my office before 6 PM on the exam day. Late printouts will result in a 10 point deduction per hour. Unless agreed upon in writing in advance by the instructor make up tests will not be allowed and a zero will be given for the missed work.

#### Connect Homework

Each student will be responsible for obtaining a Connect account. You will have homework on each chapter covered in the course. You can take an unlimited number of graded homework assignments on each chapter. You must earn a 70% on one at least one attempt from each chapter to receive credit for that chapter. If you earn 70% or higher on the first attempt, you are not required to retake that assignment, although you may at your discretion. Only the highest homework score greater than 70% from each chapter will be counted. If you do not earn 70% or above on a particular assignment, no credit will be given for that chapter, i.e. your score will be a zero.

The homework is open note, open book, but you are not to solicit or receive help from anyone else (other than me). The highest score (above 70%) will be your homework score for that chapter. The homework counts a total of 150 points in the class. Your homework grade will be the average of your highest homework score for each chapter (above 70%) times 100. For example, if you average a 90% on all homework assignments, you will receive 135 points ( $.90 \times 150 = 135$ ). If you do not complete the homework on any chapter, or earn less than a 70% on an assignment, your score for that assignment is a zero. The homework for each chapter will be available at 2:00 PM on the date the chapter is first discussed (listed on the syllabus) and is due before class

on the due date. LearnSmart and homework assignments are not extended past the due date listed. If for any reason a chapter is not covered in class, the homework for that chapter will not be required. Each chapter also has a practice assignment. *Your scores on practice assignments will not count toward your grade.*

**Connect Hints**

- You can only do one thing at a time. You cannot view past results while you are in the process of taking an assignment. You cannot take two graded assignments at the same time.
- When trying to print an assignment use the browser's Print Preview and Page Setup options to get the best output possible. You may want to switch from portrait to landscape, and should extend the margins as far as possible.
- Use the "Next", "Back", "Jump To", and "Save my work" buttons periodically to save and avoid timing out. If there is no activity within 60 minutes, Connect will automatically log out your session.
- Click "Quit and Save" if you wish to work on your assignment at a later time without grading. Remember, you can only work on one open, upgraded assignment at one time.
- Don't copy and paste, this might enter illegal characters in your homework and prevent you from getting a grade.

Office Appointment

As a requirement of this class, you must make and keep at least one 15 minute office appointments with me. The week prior to appointment week, a sign-up sheet will be passed around in class. No more than two students may sign up for any one time slot.

Assessment Problem

At the end of the semester, an online assessment assignment will be due on Connect. The assignment is cumulative and will cover all material in the class. You will only have 2 (two) attempts on the assessment assignment.

Grading scale

3 Exams @ 100 points each	300
Connect homework/LearnSmart	150
AOL assignment	40
Office meeting	<u>10</u>
	500

<u>Class grade</u>	<u>Total points</u>	<u>Minimum Connect Percentage</u>
A	465-500	90
A-	450-464	87
B+	435-449	84
B	415-434	80
B-	400-414	77
C+	385-399	74
C	365-384	70
C-	350-364	67
D+	335-349	64
D	315-334	60
D-	300-314	57
F	<300	

### A special note on the grading scale

The homework grade consists of both the assignments shown as Homework and the LearnSmart assignments. Your homework grade is an average of these 21 assignments. Even though the grading scale shown above will be used in this class, your homework grade is a qualifying grade in this class. In order to receive a specific letter grade, your homework grade must be no lower than that grade, minus one “tick” (or plus/minus.) For example, to earn a C in the class, your homework grade must be at least a 70 average, which is a C- on the grading scale. In order to receive an A in the class, you must have a homework grade greater than or equal to 90 percent. In order to pass the class, your homework grade must be above 57 percent. No curve or extra credit will change the homework grade requirement. Any chapter that is not covered in class will not be used to calculate your homework average. Note, the LearnSmart assignments are available after the due date and Connect will allow you to go back and work on the assignment. However, your grade as of the due date is the grade that will be used in the calculation of your homework grade. You cannot go back and rework Homework assignments after the due date, however, you can go back and look at the assignment along with the solution to the problem.

### **University Policies:**

#### Accommodation of Disabilities:

In compliance with Section 504 of the Rehabilitation Act and the Americans with Disabilities Act, Belmont University will provide reasonable accommodation of all medically documented disabilities. If you have a disability and would like the university to provide reasonable accommodations of the disability during this course, please notify the Office of the Dean of Students located in the Beaman Student Life Center (460-6407) as soon as possible.

#### Honor Code:

The Belmont community values personal integrity and academic honesty as the foundation of university life and the cornerstone of a premiere educational experience. Our community believes trust among its members is essential for both scholarship and effective interactions and operations of the University. As members of the Belmont community, students, faculty, staff, and administrators are all responsible for ensuring that their experiences will be free of behaviors, which compromise this value. In order to uphold academic integrity, the University has adopted an Honor System. Students and faculty will work together to establish the optimal conditions for honorable academic work. Following is the Student Honor Pledge that guides academic behavior:

“I will not give or receive aid during examinations; I will not give or receive false or impermissible aid in course work, in the preparation of reports, or in any other type of work that is to be used by the instructor as the basis of my grade; I will not engage in any form of academic fraud. Furthermore, I will uphold my responsibility to see to it that others abide by the spirit and letter of this Honor Pledge.”

#### Course Evaluations:

Belmont University provides all students with the opportunity to evaluate their courses. Toward the end of each semester, students will be made aware that the online course evaluations are open. Students are expected to participate in course evaluations when they are made available.

#### Institutional Statement on Class Attendance and Absences:

Belmont University is committed to the idea that regular class attendance is essential to successful scholastic achievement. Absence is excused only in cases of illness or other legitimate cause. Attendance is checked from the first class meeting. Late registrants will have accrued some absences prior to formal registration in the course. In the case of excused absence from class, students have the right and responsibility to make up all class work missed.

**Tentative Class Schedule: (NOTE: The class schedule is subject to change if necessary.)**

	<u>Chapter</u>	<u>LearnSmart</u>	<u>Homework</u>
Aug	23 Syllabus and Course Overview		
	28 Introduction to Financial Management (1)	1	
Sep	30 Financial Statements, Taxes and Cash Flows (2)	2	
	4 Working with Financial Statements (3)	3	
	6 Working with Financial Statements (3)		
	11 Time Value of Money (4)	4	2
	13 Discounted Cash Flow Valuation (5)	5	3
	18 Discounted Cash Flow Valuation (5)		
	20 Discounted Cash Flow Valuation (5)		4
	25 Discounted Cash Flow Valuation (5)		
Oct	27 Review		5
	2 <b>Exam #1 – Chapters 1, 2, 3, 4, 5</b>		
	4 Interest Rates and Bond Valuation (6)	6	
	9 Equity Markets and Stock Valuation (7)		
	11 Equity Markets and Stock Valuation (7)	7	
	16 <b>No Class – Fall Break</b>		
	18 Some Lessons from Capital Market History (10)	10	6
	23 Risk and Return (11)	11	7
	25 Risk and Return (11)		10
	30 Cost of Capital (12)	12	11
Nov	1 Review		
	4 <b>Note: This is a Sunday</b>		12
	6 <b>Exam #2 – Chapters 6, 7, 10, 11, 12</b>		
	8 Net Present Value and Other Investment Criteria (8)	8	
	13 Making Capital Investment Decisions (9)	9	
	15 Making Capital Investment Decisions (9)		
	20 Making Capital Investment Decisions (9)	AOL open	8
	22 <b>No class – Thanksgiving Break</b>		
27 Everything you ever wanted to know about Finance but were afraid to ask!			
Dec	29 Everything you ever wanted to know about Finance but were afraid to ask!		9
	4 Review		
	10 <b>Final Exam – 11:00 AM – Chapters 8, 9, and everything</b>		AOL