Belmont University - Finance 4410 – Advanced Business Finance
Spring 2017

Instructor: Dr. Joe Smolira
Credit: 3 hours
Location: MC 200B
Meeting time: 9:30 – 10:45 T, R
Office: Massey Center Room 437
Phone: 460.6463
E-mail: joe.smolira@belmont.edu
Home page   http://coba.belmont.edu/fac/smoliraj
Office hours: Tue and Thur: 12:15 – 3:00
          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 Resources:
Text and supplementary material:

Corporate Finance, 11th edition, Ross, Stephen A., Randolph W, Westerfield, Jeffrey F. Jaffe, and Bradford D. Jordan, McGraw-Hill Irwin, 2016.

Quantitative Investment Analysis, 3rd edition, DeFusco, Richard A., Dennis McCleavey, Jerald Pinto, and David Runkle, Wiley, 2015.

The following cases are also required:

Burlington Northern Railroad Company: Equipment Leasing	UVA-F-0969
Orion Controls (A)	UVA-QA-0602
Compass Records	UVA-F-1488
Empirical Chemicals (A)	UVA-F-1020
Sallie Mae Reverse Yen PERLS	UVA-F-0850
General Mills Acquisition of Pillsbury	UVA-F-1326
Pepsico: Cost of Capital	UVA-F-0981

Course information:
Description:
FIN 4410. Advanced Business Finance (3). *Prerequisite FIN 4210.* This course covers a wide variety of financial topics including capital budgeting, options, cost of capital, and free cash flow analysis. Students will implement financial topics with a computer spreadsheet.

Course objective:
Upon completion of the course, the student will have an understanding the application of various financial techniques including capital budgeting, cost of capital, and risk management.

Methods of Instruction:
Learning is this course is derived primarily from class discussion and cases. Students will benefit most if they actively participate in case preparation and discussion.

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.

Course Policies and Procedures:

Learning is this course is derived primarily from class discussion, and the application of spreadsheet modeling. Students will be expected to spend a significant amount of time in creating Excel spreadsheets.

A majority of the class assignments will Excel spreadsheets created outside of the classroom. Students are expected to complete the assignments individually, with the exception of the group cases. All Excel spreadsheets are due prior to class on the day they are assigned. Email the file to me at (joe.smoliraj@belmont.edu) prior to class. When the file is submitted, the file name must be as follows: Assignment #X Last name First name.xlsx (or Case #X Last name First name.xlsx).

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.

Linked Project
Students will be grouped into teams for a course project. The overall objective of the project is to apply the concepts learned in the course to "real world" companies using Bloomberg and other research data sources. Teams will present a power point presentation to the class as well as turn in a written report. More detail on the project is contained in the class handout. The total value of the case will be 100 points.

<u>Cases</u>

The preparation of cases is intended to encourage the student to apply concepts to a real world situation. Cases will be prepared in groups of 3 or 4 students. For each case, one group will be chosen at random on the day of the case to present their case in class. The group that presents the first case will not be eligible to present the second or third case. The grade for each case will be based 80% on the written case and 20% on class participation during the discussion of the case. Cases are due at the beginning of class on the day they are to be discussed. Late cases will not be accepted.

The following format is appropriate for written presentation of case material.

A. *Statement of the problem*: This should be one sentence describing the problem or issue raised in the case.

B. *Relevant Facts*: This section should be a short summary of the facts of the case that are relevant to the solution of the case.

C. *Assumptions*: Any case analysis contains uncertainty. In order to successfully prosecute the case, assumptions are necessary for systematic and logical analysis.

D. *Analysis*: The analysis of the case is most important and should contain the bulk of the effort expended on the case. Your analysis should proceed along logical lines of thought building toward a conclusion that addresses the problem statement. All charts, graphics, spreadsheets or tables should be placed in an Appendix rather than the body of the text. Use any tools to illustrate the issues posed by the case.

E. *Recommendations:* A recommended course of action should be made that addresses the problem outlined at the beginning of the case analysis.

The final grade for the cases for each student is a combination of the project grade and peer reviews. Student team members will grade one another on their performance as a team member on each case. The total points for each team member will be the total points given as a grade multiplied by the average given by team members. Each student will evaluate all other team members as well as themselves.

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:

> "In affirmation of the Belmont University Honor Pledge, 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 in the fulfillment of my requirements for graduation whether curricular or co-curricular. 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.

Grading:

A	330-355	C	259-272
A-	320-329	C-	249-259
B+	309-319	D+	238-248
B	295-308	D	224-237
B-	284-294	D-	213-223
C+	273-283	F	< 213

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

Dates		Chapter(s)	Points	Assignment due
Jan	10	Chapter 3 – RWJJ		
	12	Chapter 3 – RWJJ		
	17	Chapter 3 – RWJJ		
	19	Chapters 26, 27, and 28 – RWJJ		
	24	Chapters 26, 27, and 28 – RWJJ		
	26	Chapters 11, 12 – RWJJ		
	31	Chapters 8, 9 – CFA	20	#1 – Short-term Financial Planning
Feb	2	Chapters 8, 9 – CFA		
	7	Chapter 11 – CFA		
	9	Chapter 13 – RWJJ	20	#2 – CAPM & APT
	14	Case	25	Pepsico Cost of Capital
	16	Chapter 6 - RWJJ		
	21	Chapters 6, 7 - RWJJ	25	Empirical Chemicals (A)
	23	Chapter 7 – RWJJ		
	28	Case	25	Orion Controls
Mar	2	Case	25	Compass Records
	7	No Class – Spring Break		
	9	No Class – Spring Break		
	14	Chapter 29 – RWJJ		
	16	Chapter 21 – RWJJ		
	21	Case	25	GM Acquisition of Diageo
	23	Case	25	Burlington Northern
	28	Chapter 23 – RWJJ		
	30	pp. 423–508		
Apr	4	VBA		
	6	VBA		
	11	Chapter 23 – RWJJ	15	#2 – VBA (1)
	13	No Class – Easter Break	15	#3 – VBA (2)
	18	Group presentations	115	Project
	20	Group presentations		
	25	Chapter 31 – RWJJ		
May	2	**8:00 AM – Final exam**	20	Sallie Mae: Reverse Yen PERLS