

# Finan 303 Principles of Finance

## Section 5530 – Spring 2012

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**NOTE: All e-mails to me should include FI 303 in the subject heading. Otherwise they may not be read.**

### Course Description

This course is designed to develop knowledge, skills and abilities relevant to executing the finance function in a business organization. We will also examine how the finance function relates to the other functional areas in a successful organization. The subject matter will be introduced through lecture and discussion of the problem sets. The quizzes and examinations will assess how well each student is attaining the knowledge, skills and abilities and will guide the amount of time we spend on each area of the course.

### Catalog Description

An introductory course focusing on financial management for business concerns. Topics include: allocation of resources for investment in short- and long-term assets, decisions with respect to debt and equity financing, and dividend policy. Lectures and reading are blended with problems and cases for class discussion. PREREQ: ACCT 206, ECON 201, ECON 202 and BUSSTAT 207.

**Course Support Site:** <http://blackboard.boisestate.edu>

### Required Textbook:

M Finance written by Cornett, Adair, and Nofsinger. McGraw-Hill/Irwin; 1st edition

**Assessment:** Measuring the extent to which students have achieved the course objectives will be accomplished through examinations consisting of a combination of quantitative and qualitative material. In addition, homework, short writing assignments, and mini-case assignments will supplement.

### Course Learning Objectives and Assessment Methods

**COURSE OBJECTIVES:** Upon successful completion of this course the student should:

- Have an understanding of the goals of the firm and how the finance function supports those goals
- Be able to read and analyze the financial statements of a corporate organization
- Be able to use the historical analysis of financial statements and a sales forecast to forecast the cash flow and financing needs of the organization
- Understand how the time value of money impacts financial decisions
- Understand and be able to apply the models for valuing financial assets
- Understand the concept and measurement of risk as it applies to financial modeling
- Be able to estimate cash flows accruing to long-term assets
- Understand and be able to apply the models used to evaluate the long-term asset acquisition proposals for the firm
- Understand the instruments and markets for raising capital for the firm
- All of the objectives are considered for corporations operating in a global environment within the framework of ethical decision-making

**College of Business and Economics  
Core Curriculum Student Learning Goals and Objectives**

<u>Students in this class will learn or practice the following COBE Core Curriculum concepts, methods, and skills:</u>	
<u>1. Understand and apply analytical and disciplinary concepts and methods related to business and economics:</u>	
<input checked="" type="checkbox"/>	<b>1.1. Accounting</b>
<input checked="" type="checkbox"/>	<b>1.2. Business Policy and Strategy</b>
<input checked="" type="checkbox"/>	<b>1.3. Economics</b>
<input checked="" type="checkbox"/>	<b>1.4. Finance</b>
<input checked="" type="checkbox"/>	<b>1.5. Information Technology Management</b>
<input checked="" type="checkbox"/>	<b>1.6. International environment of business</b>
<input checked="" type="checkbox"/>	<b>1.7. Legal environment of business</b>
<input checked="" type="checkbox"/>	<b>1.10. Mathematics &amp; Statistics</b>
<input type="checkbox"/>	<b>2.1. Communicate effectively: Write messages and documents that are clear, concise, and compelling</b>
<input type="checkbox"/>	<b>2.2. Communicate effectively: Give oral presentations that use effective content, organization, and delivery</b>
<input checked="" type="checkbox"/>	<u>3. Solve problems, including unstructured problems, related to business and economics</u>
<input type="checkbox"/>	<u>4. Use effective teamwork and collaboration skills</u>
<input checked="" type="checkbox"/>	<u>5. Resolve ethical issues related to business and economics</u>

**PERFORMANCE MEASURES AND REWARDS**

<b>REWARD</b>	<b>ACTIVITY</b>
50 pts	Harvard Case
300 pts	Exams
100 pts	Quizzes, in-class mini cases, homework
50pts	Short writing assignments

**FINAL GRADE DETERMINATION**

This class is a +/- class, so plan accordingly. Each grade will break down 2.5/5/2.5. In other words, and A- is 90-92.4, an A is 92.5-97.4, and an A+ is 97.5-100.

**COURSE POLICIES AND GENERAL EXPECTATIONS**

**Writing Standards**

Writing is an integral part of all of our disciplines, including finance. Developing an effective style of writing to convey your thoughts and ideas is one of the most important skills you should attain in college.

The COBE Writing Styles Guide (WSG) will be the writing standard we use in this class. The WSG lays out a set of basic writing standards that will be used across all courses in the College of Business and Economics (COBE). These standards are a subset of rules about good writing taught in English and Communications courses. This subset emphasizes professional communications in the workplace. You are responsible for downloading your own copy of the COBE Writing Styles Guide. A downloadable version of the WSG can be found a) as a link on the COBE web page; or b) on the Internet at <http://cobe.boisestate.edu/COBEwritingguide/> Failure to maintain strong writing standards in this class will result in a loss of credit on any given assignment. The amount of credit loss will be a function of the severity of the errors and whether or not they appear to be chronic.

### Penalty Clauses

Disrupting class, disrespectful behavior towards peers/prof (reading/working on non-class related material etc), excessive texting, phones ringing in class can and will result in grade reductions. No headphones are permitted. There will absolutely no phones used, at all, while a quiz/exam/assignment is being administered.

### Schedule of Events and Assignments

	Date	Topic	Text Chapters	Schedule Assignment(s) Due This Date
	Jan 18	Class Introduction		
		Overview of F.M., Statements	1,2	
	Jan 25	Statements and Ratios	2,3	Q ch 2
	Feb 1	TVM	4	Q ch 3
	Feb 8	TVM	5	SW 1
	Feb 15	Bonds	6	Q ch 4
	Feb 22	Bonds, Stocks	6,7	Q ch 5
	Feb 29	Stocks and Review	7	Q ch 6 and SW 2
	Mar 7	<b>Mid Term Exam Ch 1-7</b>		
	Mar 14	Markets and R&R	8,9	
	Mar 21	R&R	9	Q ch 8 and SW 3
	Mar 28	Spring Break		
	Apr 4	R&R contd	10	Q ch 9
	Apr 11	WACC	11	Q ch 10 and SW 4
	Apr 18	Capital Budgeting	12	Q ch 11
	Apr 25	NPV and decision analysis	13	Q ch 12
LDOC	May 2	Working Capital	14	SW 5
	May 9	<b>Final Exam Ch 8-14</b>	12	CASE DUE

### Statement of Shared Values

Boise State University upholds the following values as the foundation for a civil and nurturing environment. Campus community members and all who are part of COBE are expected to adhere to the following values.

**Academic Excellence** – engage in our own learning and participate fully in the academic community's pursuit of knowledge.

**Caring** – show concern for the welfare of others.

**Citizenship** – uphold civic virtues and duties that prescribe how we ought to behave in a self-governing community by obeying laws and policies, volunteering in the community, and staying informed on issues.

**Fairness** – expect equality, impartiality, openness and due process by demonstrating a balanced standard of justice without reference to individual bias.

**Respect** – treat people with dignity regardless of who they are and what they believe. A respectful person is attentive, listens well, treats others with consideration and doesn't resort to intimidation, coercion or violence to persuade.

**Responsibility** – take charge of our choices and actions by showing accountability and not shifting blame or taking improper credit. We will pursue excellence with diligence, perseverance, and continued improvement.

**Trustworthiness** – demonstrate honesty in our communication and conduct while managing ourselves with integrity and reliability.

Calculators are allowed for all work in this class. I recommend HP 17, 12, and 10. There are many phone apps for inexpensive options. See me for more info...