Principles of Finance
Boise State University
Department of Finance

Instructor: Scott Roark
Office: MBEB 3110
Office Hours: MW 11-12 or by appt
E-mail: scottroark@boisestate.edu (include FIN303 in subject)
Prerequisites: Acct 206, Econ 201, Econ 202, Stat 207

Textbooks and Reading Material:
Required: Essentials of Corporate Finance (Ross, Westerfield and Jordan, 9e). If you choose not to do the CONNECT homework assignments or the LearnSmart activities as part of the Connect Learning Management System, then you may be able to use an older edition or an alternative textbook.

Recommended: Connect Learning Management System. If you choose to use Connect, you will need to purchase access to CONNECT/E-text through the link on Blackboard (or by purchasing an Access Code at the bookstore). Using CONNECT will give you the opportunity for more practice as well as guidance in your text reading.

Calculator and Computer
A calculator with time-value-of-money capabilities (HP 10Bii, TI BA2, etc.) will likely be very useful for the class. In addition, we will be using Excel throughout much of the class and students are encouraged to learn applicable skills and practice problem solving using Excel. As of now, the BSU Online Testing Center on campus doesn’t have excel, so you will need a calculator for tests if you take them at the Online Testing Center and an appropriate financial calculator will make things much easier. It is HIGHLY recommended you use a financial calculator.

Course Objectives:
The purpose of the course is to introduce students to the issues faced by financial managers in a corporation and to help students in other disciplines understand the finance function in a business. 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
• 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

Course Structure:
The course is organized into fourteen modules – each corresponding to a chapter. For each module, there will be a variety of activities to help you learn the material and practice using what you’ve learned. There will be reading assignments, video lectures and examples, concept review, homework, practice problem sets and an online quiz. In general, there is one module per week during the semester. While this is not a fast-paced course, it is critical that you keep up with the work.

This is not a self-study course where you work at your own pace. The coursework will require you to access Blackboard regularly, and you will have due dates for assignments each week (see the Course Schedule portion of the syllabus for exact due dates). As a general rule, you can expect to spend at least 6 to 9 hours working on each module of the course. If you use CONNECT, your work there will likely add to the time spent on the course.

If English is a second language, you may need to spend even more each week to complete all of the video watching, reading and problem-solving activities.
Assignment Types:
Each module will have the assignment types listed below. All assignments must be completed by the due date – there will be no late submissions allowed.

1. **Reading / LearnSmart** – If you choose to purchase access to the Connect software, you will be able to use LearnSmart - an adaptive learning technology developed by McGraw-Hill to tailor content to individual student backgrounds and abilities. After studying the chapter materials, students demonstrate their knowledge by answering a series of questions. The type and number of questions depends on responses to previous questions (the questions adapt to your level of understanding). The hope is that with an interactive framework, you will get more out of reading the textbook. **THE LEARNSMART ASSIGNMENTS (IF YOU CHOOSE TO DO THEM) ARE DUE EACH WEEK BY SUNDAY NIGHT.**

2. **Optional Homework Problems (CONNECT)** – these consist of question and problem sets from the book publisher. The problem sets are intended to give you practice working on the types of problems you will see on quizzes and particularly on exams. It is very important that you take the problems seriously and do your best to understand what you are doing. **THE CONNECT ASSIGNMENTS (IF YOU CHOOSE TO DO THEM) ARE DUE EACH WEEK BY SUNDAY NIGHT.**

3. **Concept Review (Cerego)** - this will consist of review of ideas and concepts through Cerego. It is an online program that is basically a targeted, online “flash-card” system. I will have a list of important terms and concepts for each Module and you are expected to review them regularly. Your grade will be based on the progress indicated in your user account. It takes 3 months to move all items to the required level. So you should start early and often. You can’t cram this. Also the concepts will show up on tests, so it’s good to know them well.

4. **Optional Practice Problems (Blackboard)** – these consist of questions and problems I create and will post in Blackboard. I will provide the correct answers with the problems so that if you work them, you will know if you got the right answer or not. In addition, I will post the solutions. You are strongly encouraged to work on the problems PRIOR to viewing the solutions – it is critical that you practice working on problems – you won’t have the answer next to you on a test.

5. **Quizzes** – these consist of questions and problem sets from the material in the book and from the videos. There is only one chance at answering questions and there will be a time limit. This means that you will need to work at a good pace to finish each quiz (and that you may not be able to review videos or read the book for each question). **Quizzes must reflect individual effort** – there should be no collaboration with others. Working with another person is unethical and violates the Boise State Code of Conduct. **QUIZZES MUST BE COMPLETED EACH WEEK BY SUNDAY NIGHT.**

6. **Exams** - In addition to the assignment types listed above, there will be four proctored exams over the course of the class. The exams will be similar to practice problems and quizzes, but no resources are allowed (no book, no internet, etc.) with the exception of a formula sheet that I will provide. The exams will cover concepts and problems, and will be based on material from the book, from the lecture videos and from assigned readings. The exams must reflect your individual effort. There will be a time limit on the exams and there is only one attempt at each question. The first three exams will cover 4-5 chapters each. The final exam will be cumulative. Each exam will be 17-22% of your course grade (depending on which grading option you choose) and I will drop the lowest exam score. Because I drop a score, there are no make-up exams. You may choose to drop (skip) the final if you are satisfied with your other three exams.
Academic Honesty and Integrity:
Misrepresenting someone else’s work as your own is a serious offense in any academic setting and it will not be condoned. All work submitted for a grade must represent your individual work. Sharing solutions, copying answers, sharing questions, and anything else that misrepresents your effort or understanding is prohibited. *Cheating of any sort will not be tolerated and will result in a grade of ZERO for the assignment, quiz, or exam and potential failure of the course.* Please do not think that because this is an online class, anything goes. I will be watching for academic dishonesty and I will deal with it harshly and in accordance with BSU Policy. All instances of misconduct will be reported to the Student Conduct Office. For more information on the University Policy on Academic Misconduct, see sections 4 and 7 of the Student Code of Conduct: [http://deanofstudents.boisestate.edu/student-code-of-conduct/](http://deanofstudents.boisestate.edu/student-code-of-conduct/).

A student who knowingly assists another student in committing an act of academic misconduct shall be *equally accountable for the violation*, and shall be subject to the sanctions listed above.

Grade Determination:

<table>
<thead>
<tr>
<th>Item</th>
<th>Option One Weights</th>
<th>Option Two Weights</th>
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</thead>
<tbody>
<tr>
<td>Cerego</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>LearnSmart</td>
<td>7%</td>
<td>0%</td>
</tr>
<tr>
<td>Connect Assignments</td>
<td>13%</td>
<td>0%</td>
</tr>
<tr>
<td>Quizzes</td>
<td>25%</td>
<td>33.3%</td>
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<tr>
<td>Exams(^1)</td>
<td>50%</td>
<td>66.7%</td>
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\(^1\)You cannot pass the class with an exam average below 55% - even if your overall average happens to reach 70%, you will receive no better than a “D” in the class.

Module Sequence:
Each module will have a variety of resources to aid your learning. You should do what’s best for your learning, but I suggest you progress through the material for each chapter as follows:

1. **Skim** the assigned chapter to get an idea of what it is about
2. **Watch** the videos and try to work the excel examples. Practice with a financial calculator as well.
3. **Read** through the textbook and complete the LearnSmart assignment (for grading Option One). This should also help you identify areas where you need additional review.
4. Complete the **homework** problems in Connect (for grading Option One above)
5. Work on **homework problems; review** the videos/textbook where necessary.
6. Complete the **online quiz**.
7. Review mistakes to prepare for **exam**.

Reading:
It is critical that you read the chapters. It will not be sufficient for you to simply watch the videos and skip the assigned reading. I believe that it is important for your understanding to have multiple sources of information about the material. Reading the book provides another perspective and another voice to help you learn.

That being said, it is important that you read the chapters in an effective way. It is best not to simply sit down and start reading the assigned chapter, slogging your way from the front page to the last. As you prepare to read, follow these suggestions:

1. Preview the chapter by skimming each page and looking at section headings and figures.
2. Ask some pre-reading questions: What is being covered? What do I know about this?
3. Open the LearnSmart assignment for the chapter. Try to answer the questions as best you can.
4. Read the chapter in depth and take notes on key concepts and keep track of questions.
5. Complete the LearnSmart assignment (Options One & Two).
Watching Videos:
I have prepared a series of videos for each topic. In the videos, I cover the most important material and will generally provide examples to help explain the material. The videos are not meant to be exhaustive – there will be material in the reading that is not covered in the videos. As you watch the videos, I suggest you print the PowerPoint slides for the chapter and take notes there. As you come across problems in the videos, I suggest you pause the video and try to work the problem yourself before watching me do it. This is a great way to learn and practice problem-solving and is much more effective than passively watching me complete each problem. If you have struggled with math in the past, this is especially important for this class – you must practice working problems. Do a lot of them and you’ll get better.

Connect – LearnSmart and Homework Problems
If you choose to use the Connect Learning Management System, you should utilize LearnSmart to review your understanding of the reading and you can practice problems to develop your understanding of the course content. This is optional and not required – it is only applicable for grading in Option One.

Practice Problems:
This is a good opportunity to get practice working problems. For the problems, I will give you the answer, but you should work the problems yourself and try to get to the right answer. Even though you may get answers to the problems, it is important for you to work the problem and make sure you understand what you are doing. If you get the wrong answer, do not give up too quickly – there is a lot of learning that happens in the struggle to set up and solve a problem.

Practice and Review:
The nice thing about having lectures in videos is that you can go back at any point and review a lecture. You will probably want to do that as you prepare for tests. If you find that you did not perform well on quizzes, you can work additional practice problems from the appropriate chapter. After the due date for homework, quizzes and tests, you can see what you did wrong.

Course Schedule:

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<thead>
<tr>
<th>Module</th>
<th>Topic</th>
<th>Week</th>
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<tbody>
<tr>
<td>Module 1</td>
<td>Ch 1 – Introduction</td>
<td>Jan 8 – Jan 14</td>
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<tr>
<td>Module 2</td>
<td>Ch 2 – Financial Statements</td>
<td>Jan 15 – Jan 21</td>
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<tr>
<td>Module 3</td>
<td>Ch 3 – Financial Statement Analysis</td>
<td>Jan 22 – Jan 28</td>
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<tr>
<td>Module 4</td>
<td>Ch 4 – Time Value of Money I</td>
<td>Jan 29 – Feb 4</td>
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<tr>
<td>Module 5</td>
<td>Ch 5 – Time Value of Money II</td>
<td>Feb 5 – Feb 11</td>
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<tr>
<td>Module 6</td>
<td>Ch 6 – Bonds</td>
<td>Feb 12 – Feb 18</td>
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<td></td>
<td>EXAM I (Chapters 1-5)</td>
<td>Feb 14 – Feb 16</td>
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<tr>
<td>Module 7</td>
<td>Ch 7 – Stocks and Stock Valuation</td>
<td>Feb 19 – Feb 25</td>
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<tr>
<td>Module 8</td>
<td>Ch 8 – NPV &amp; Investment Criteria</td>
<td>Feb 26 – Mar 4</td>
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<tr>
<td>Module 9</td>
<td>Ch 9 – Making Capital Investment Decisions</td>
<td>Mar 5 – Mar 11</td>
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<tr>
<td>Module 10</td>
<td>Ch 10 – Capital Market History</td>
<td>Mar 12 – Mar 18</td>
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<tr>
<td>Module 11</td>
<td>Ch 11 – Risk and Return</td>
<td>Mar 19 – Mar 25</td>
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<td>EXAM II (Chapters 6-10)</td>
<td>Mar 21 – Mar 23</td>
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<td>SPRING BREAK</td>
<td>Mar 26 – Apr 1</td>
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<tr>
<td>Module 12</td>
<td>Ch 12 – Cost of Capital</td>
<td>Apr 2 – Apr 8</td>
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<tr>
<td>Module 13</td>
<td>Ch 13 – Leverage and Capital Structure</td>
<td>Apr 9 – Apr 15</td>
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<td>Module 14</td>
<td>Ch 16 – Short Term Financial Planning</td>
<td>Apr 16 – Apr 21</td>
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<td></td>
<td>EXAM III (Chapters 11-13, 16)</td>
<td>Apr 18 – Apr 20</td>
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<td>FINAL EXAM</td>
<td>Apr 30 – May 4</td>
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### Student Learning Goals and Objectives:

Students in this class will learn or practice the following COBE Core Curriculum concepts, methods, and skills:

1. Understand and apply analytical and disciplinary concepts and methods related to business and economics:

   - 1.1. Accounting
   - 1.2. Business Policy and Strategy
   - 1.3. Economics
   - 1.4. Finance
   - 1.5. Information Technology Management
   - 1.6. International environment of business
   - 1.7. Legal environment of business
   - 1.10. Mathematics & Statistics

2. Communicate effectively:
   - 2.1. Write messages and documents that are clear, concise, and compelling
   - 2.2. Give oral presentations that use effective content, organization, and delivery

3. Solve problems, including unstructured problems, related to business and economics

4. Use effective teamwork and collaboration skills

5. Demonstrate appropriate principles of responsible business practices
   - 5.1. Resolve issues related to Individual Responsibility (Business Ethics)
   - 5.2. Resolve issues related to Corporate Social Responsibility
   - 5.3. Resolve issues related to Leadership Responsibility (Corporate Governance)
   - 5.4. Resolve issues related to Environmental Responsibility (Environmental Sustainability)
   - 5.5. Resolve issues related to Cultural Responsibility (Diversity)