NOTE: To minimize computer viruses, time spent reading junk mail, etc., I do not open e-mails unless they are from your Boise State University e-mail account. Thus, do not send any e-mail to my office from any other e-mail account you might have.


FINANCIAL CALCULATOR (OPTIONAL): A financial calculator is helpful in working finance problems. If you are going to purchase a financial calculator, the HP 12-C is my recommendation. However, a financial calculator is not necessary to succeed in the class; all of the homework and test problems can be worked with a basic inexpensive calculator.

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

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.

SCHEDULE: The anticipated schedule of activities is shown below. Chapters from the text are listed in the order they will be covered. It may be necessary to alter the schedule over the course of the semester.

January 23—February 15

Textbook: Chapters 1, 2, 7 and 6.


Examination: February 15 - Exam # 1
February 20—March 19

Textbook: Chapters 3, 4, 9, 8, and 5.


Examination: March 19 – Exam # 2

March 31—April 30

Textbook: Chapters 11, 10, and 12.

Topics: Capital Budgeting, NPV, Internal Rate of Return, Modified Internal Rate of Return, Comparing Mutually Exclusive Projects, Equivalent Annual Annuity Approach, Cash Flow Estimation in Capital Budgeting, the Cost of Debt, the Cost of Preferred Stock, the Cost of Equity, the Weighted Average Cost of Capital.

Examination: April 30 – Exam # 3

May 2 through May 9

Stock Options, Call Options, Put Options, Option Prices.

Comprehensive Final Examination – REFER TO SPRING 2008 SCHEDULE

GRADING: Your final grade will be determined on the basis of classroom participation, two midterm exams, and a comprehensive final exam. The low score from your first three exams will be dropped when computing your final grade. Thus, no makeup exams will be given. The only exception to this rule is an excused absence due to a Boise State University activity (debate team, football team, band, etc.). Otherwise, if you miss an exam, then the missed test will be the one you drop. When computing your final grade the weights given to each component are as follows:

<table>
<thead>
<tr>
<th>GRADE COMPONENT</th>
<th>WEIGHT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classroom Participation</td>
<td>10%</td>
</tr>
<tr>
<td>Midterm Exam #1</td>
<td>25%</td>
</tr>
<tr>
<td>Midterm Exam #2</td>
<td>25%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>40%</td>
</tr>
</tbody>
</table>

Throughout the semester a student will earn a percentage score for each of the components. At the conclusion of the semester the student’s final percentage for the course will be calculated by applying the aforementioned weights. Then, the final grade for the course will be determined according to the following scale:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Final Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>90—100%</td>
<td>A</td>
</tr>
<tr>
<td>80—89%</td>
<td>B</td>
</tr>
<tr>
<td>70—79%</td>
<td>C</td>
</tr>
<tr>
<td>60—69%</td>
<td>D</td>
</tr>
<tr>
<td>Below 60%</td>
<td>F</td>
</tr>
</tbody>
</table>
**Example of Grade Calculation:**

Suppose John Doe receives the following scores for each of the grade components:

- Classroom Participation: 50%
- Midterm Exam #1: 81%
- Midterm Exam #2: 83%
- Final Examination: 80%

John’s final percentage for the course is determined as follows:

Final Percentage for the Course = 0.10(50%) + 0.25(81%) + 0.25(83%) + 0.40(80%)

Thus, John Doe’s final course grade will be a C.

**Examinations:** The examinations will consist of problems similar to those worked out in class and assigned as homework. The final examination will be comprehensive. The midterm examinations will also be comprehensive to the extent that material continues to build on itself throughout the semester. Students may use notes and the textbook when taking the examinations. NO LAPTOP COMPUTERS CAN BE USED WHEN TAKING THE EXAMS.

**Classroom Participation:** At the conclusion of the semester each student will be assigned a score for classroom participation. The classroom participation score will be between 0% and 100%, and will be determined by the extent to which the student’s participation was a positive influence in the class. A student that attends class regularly, participates in discussions and in-class exercises, arrives in a timely fashion, and exhibits courteous behavior will earn a high score for classroom participation. Conduct that is disruptive, rude, and detrimental to the overall learning environment will result in a low score.

**Homework:** Homework will be assigned throughout the semester. The homework will not be graded. However, completion of the assignments will greatly enhance your performance on exams.

**Other Grading Considerations:** Of course, cheating on exams or unacceptably disruptive behavior in class will result in a grade of F for the semester.