

BUSINESS FINANCE

Course Syllabus

Instructor:	Li Sun, Ph.D.	Semester:	Spring 2016
Office:	Beck Hall 157	Course Number:	E/M-270-001
Office Hours:	MTW 2:30-4:00pm or by appointment	Class Hours:	MTWTF 9:00am-10:00am
Phone:	507-933-7011	Location:	Beck Hall 219
E-mail:	lsun@gustavus.edu	Instruction Method:	Lecture/Discussion

CATALOG DESCRIPTION:

This course introduces students to the fundamentals of finance. It provides an overview of financial ratio analysis, time value of money, cash flow and financial planning, risk and return, interest rate and bond valuation, and stock valuations. The course also covers topics in corporate working capital management.

PREREQUISITE: E/M-101, E/M-102, E/M-130, and completion of departmental mathematics requirement

COURSE OBJECTIVES:

The course introduces the basic concepts and principles of financial management. Its goal is to familiarize students with the fundamental concepts and analytical tools of financial management used by professionals. Upon successful completion of the course, students should be able to:

1. understand the function of managerial finance and the environment of financial market;
2. perform ratio analysis of corporate financial statements;
3. understand the difference between net cash flow and net income, and the relevance of cash flow in financial planning;
4. utilize the time value of money concepts;
5. understand the determinants of market interest rates and their term structures;
6. define and measure the risk and rates of return through the capital asset pricing model;
7. use certain stock and bond valuation models;
8. engage in certain capital budgeting procedures, including payback, discounted payback, net present value, and internal rate of return;
9. perform management in working capital, including current assets and current liabilities.

REQUIRED TEXTBOOK AND MATERIAL:

1. Principles of Managerial Finance with MyFinanceLab (14 edition), by Lawrence J. Gitman and Ghad J.Zutter.
Loose leaf version is available in the Book Mark
2. Texas Instruments BAII Plus Financial Calculator.

You need to have a financial calculator for this course. Many of the exam problems involve complex arithmetic and financial calculations, and a financial calculator is necessary to solve them. TI-BAII Plus is the one recommended and will be used for instructional purposes. I will use one in class and explain how to work various problems with it, so you can follow lectures most easily if you use a TI-BAII Plus. Students can not share calculators during exams.

MOODLE CLASS WEBSITE:

A class website on Moodle is created for posting messages, assignments, exam study guides, and additional study materials. Class announcement and due dates will be posted on Moodle. Excel assignments are to be submitted electronically to the designated folders on Moodle.

COURSE EVALUATION:

The final grade will be determined on the basis of quizzes and examination grades, performance of assignments, class attendance and participation. Students are expected to turn in assignments and take exams, according to the schedule. To be excused from an exam, the student must contact me **before the exam**. Excuses will be granted only if the student is unable to take the exam because of serious illness or injury, or a significant personal or professional commitment. Cheating and plagiarism on any assignment will result in an "F" grade for the entire course.

Attendance and Participation (7%)

Participation and attendance are important to complete this course successfully. Some materials and assignments will be discussed and completed only in class. Students are required to actively participate in the discussion and expected to have read the assigned material prior to the class meetings. At random times throughout the course, students will be called upon to present a brief overview of the main issues discussed in the readings. I will also randomly check attendance and will take 5 points off for each absence after the second one. If you must miss class for a legitimate reason, you need to notify me **in advance**. In that case, I will not deduct points from your absence (contacting me after the missing class will not be considered).

Homework Assignments (20%)

Assigned problems will be available on MyFinanceLab, an electronic computer assignment and scoring website. A MyFinanceLab access code can be purchased from the bookstore. You can also buy one during the online registration process.

The link to MyFinanceLab website is www.pearsonmylabandmastering.com.

To register, search for Course ID: **sun69128**.

You need to work **on your own** for the MyFinanceLab assignments.

Homework will have to be submitted through MyFinanceLab before 11:59 pm on the due date.

Late submission beyond the deadline will receive reduced credit, unless you have a serious medical condition that prevents you from submitting it on time. Late submission will be penalized with a loss of 15% of the total points earned per each day late.

I will drop lowest assignment score when calculate the final grade.

Quizzes (8%)

Upon completion of a chapter, a quiz will be administered in class using the TurningPoint Clicker System. Each quiz will consist of approximately 10 multiple questions on PowerPoint slides, and each question is timed. I will drop the lowest quiz score when calculate the final grade.

Excel Assignments (10%)

There are four Excel assignments that need to be turned in to the specified folder on Moodle before 11:59 pm on the due date. You can work on your own or work in a group with no more than 2 people for these excel assignments. The due date for the assignment will be posted on Moodle. The Excel assignments are designed to help students use Excel built-in functions to solve practical finance problems. Details of the assignment will be distributed in class and made available through the Moodle class website.

Term Examinations (55%)

Four term exams and a non-cumulated final exam will be administered throughout the term. Each exam will consist of multiple-choice, essay questions and problem-solving questions. Exam contents are taken from the reading and hands-on material covered in the course required text. No books and no notebooks will be allowed in the examinations. For the exams you will be allowed to bring in a financial calculator and a 3 by 5 inch note card. Final Exam will be on May20, 10:30 am -12:30 pm. No make-up will be available for the final exam.

GRADING PROCEDURE:

Points Allocation			Grading Scale		
Homework Assignments	9	180 points	A+ = 96 - 100%	A = 93 - 95%	A- = 90 - 92%
Quizzes		90 points	B+ = 87 - 89%	B = 83 - 86%	B- = 80 - 82%
Excel Assignments	4	100 points	C+ = 77 - 79%	C = 73 - 76%	C- = 70 - 72%
Term Exams	5	550 points	D+ = 67 - 69%	D = 60 - 66%	F: 59% or below
Attendance & Participation		80 points			
Total		1,000 points			

COURSE CONTENT/SCHEDULE: (subject to change depending on the actual progress in class.)

Date	Chapter	Subject
2/8-2/12	1	Introduction & The role of managerial finance
2/15-2/19	2&3	The Financial Market Environment & Financial Statement Analysis
2/22-2/26	3	Financial Statements and Ratio Analysis (Continued)
2/29		Exam 1 (Chapters 1-3)
3/1-3/4	4	Cash Flow and Financial Planning
3/7-3/11	4&5	Cash Flow and Financial Planning & Time Value of Money
3/14-3/18	5	Time Value of Money (Continued)
3/21		Exam 2 (Chapters 4-5)
3/22-3/24	6	Interest Rates & Bond Valuation
		-- Spring Break --
4/4-4/8	6&7	Bonds & Stock Valuation
4/11-4/15	7	Stock Valuation
4/18		Exam 3 (Chapter 6-7)
4/19-4/22	8	Risk and Return
4/25-4/29	9	Cost of Capital
5/2-5/4		Review and Exam 4 (Chapter 8-9)
5/6-5/10	15	Working Capital and Current Assets Management
5/11-5/13	16	Current Liabilities Management
5/16-5/20		Review and Final Exam (Chapter 15-16)

ACADEMIC HONESTY AND DISCIPLINE:

University students are expected to conduct themselves according to the highest standards of academic honesty. Academic misconduct for which a student is subject to penalty includes all forms of cheating, such as illicit possession of examinations or examination materials, forgery or plagiarism. Disciplinary action will be taken for academic misconduct.

CLASS CONDUCT:

Gustavus Adolphus College is an institution of academic excellence. Students are expected to act with courtesy and respect to the instructor and classmates. To foster a positive learning environment, students should focus on the course-related materials during the class time and refrain from engaging in extraneous activities (e.g., texting, side conversations, non-class related internet use). Comments that are demeaning, hurtful, or offensive are unacceptable and will be met with strong disapproval and decisive action in accordance with the GAC Student Code of Conduct.

DISABILITY SERVICES:

Gustavus Adolphus College is committed to ensuring the full participation of all students in its programs. If you have a documented disability (or you think you may have a disability of any nature) and need reasonable academic accommodations to participate in class, take tests or benefit from the College's services, you should speak with the Disability Services staff, for a confidential discussion of your needs and appropriate plans. Course requirements cannot be waived, but reasonable accommodations may be provided based on disability documentation and course outcomes. Accommodations cannot be made retroactively; therefore, to maximize your academic success at Gustavus, please contact Disability Services as early as possible. Disability Services (www.gustavus.edu/advising/disability/) is located in the Academic Support Center. Disability Services Coordinator, Kelly Karstad, (kkarstad@gustavus.edu or x7138), can provide further information.

DISCLAIMER:

Information contained in this syllabus is, to the best knowledge of the instructor, considered correct and complete when distributed for use at the beginning of the semester. However, this syllabus should not be considered a contract between Gustavus Adolphus College and any student. The instructor reserves the right, acting within the policies and procedures of GAC, to make changes in course content or instructional technique without notices or obligation.