Business and Marketing Department
FIN 206 - D02  3 Credits
Introduction to Finance
Syllabus Fall 2010
Method of Instruction: Classroom

Instructor: Ted Nothom
Office: DAEM 119E
Class Days/Hours: 0900-1015 M W
Cardinal: DAEM 222
Office Hours: 0800 - 0900 MTWR
Phone: 575 – 528 – 7284
1330 - 1430 T or by appt
Email: tnothom@nmsu.edu

Course Description
Theory and techniques of financial management for business firms. Includes application of financial analysis tools and techniques needed for business financial administration and decision making.

Course Rationale
Financial acumen is a hallmark of successful managers, and a firm understanding of financial systems provides students with the base for high quality decision making. The ability to analyze and evaluate business financial systems enables managers to progress more rapidly in their careers.

Prerequisite/Co-requisite Statement
Either ACCT 202 and ECON 251, or ECON 252 and MATH 115, or consent of instructor.

Materials and Textbook Requirements

Notice to Students
Materials used in connection with this course may be subject to copyright protection.

Program Objective Alignment
5. Recognize the basic functions of business financial operations.
6. Describe the interrelationship of resources in business operations.
8. Demonstrate a knowledge of business functions, organization, and structure.
10. Summarize the legal rights and responsibilities of businesses as they pertain to business functions

Course Student Learning Outcomes
1. Distinguish and discuss the principle areas of finance and the financing activities that each encompasses and how it relates to the main categories of finance as well as agency theory and the principal-agent problem.
2. Explain the foundations of the balance sheet and the income statement, along with ratio analysis and the cash flow identity to provide a context as a managerial tool for decision making.
3. Utilize the tools of compounding and discounting to calculate the future value and present value of cash flows, annuities, and sums, applying the time value of money equation using formulae, calculators, and spreadsheets.
4. Discuss the concept of interest rates, how they are determined, and the effect inflation has on the nominal rate of interest.
5. Explain basic bond terminology and apply the time value of money equation in pricing bonds.
6. Discuss the characteristics of equity financing and apply dividend pricing models to calculate the value of common stock in the primary and secondary markets.
7. Define risk and return in regard to unsystematic risk and systematic risk and how concepts such as variance, standard deviation, asset diversification, and the capital asset pricing model represent the two parameter world of risk and return.
8. Apply the tools of capital budgeting utilizing formulae, calculators, and spreadsheets to determine NPV, IRR, MIRR, PI and Payback Period.
9. Explain the cost of capital and the different kinds of financing available to the firm, including debt financing, equity financing, hybrid equity financing, and weighted average cost of capital.
10. Explain the concept and importance of working capital management and how it relates to financial management decision making and the firm's capital structure.

Cell Phones
As a courtesy to your fellow classmates, it is important that you refrain from talking during lecture so that others can hear. iPods, CD players, beepers, etc. must be turned off during class. Cell phones are to be either turned off, put on vibrate, or on silent and should only be used during an extreme emergency. If your job requires that you be on call during class time, please speak with me at the beginning of the semester.

Student Code of Conduct
All students are expected to regard themselves as responsible citizens on campus and in the community. Policies and procedures concerning “Student Code of Conduct” including plagiarism, academic, and nonacademic misconduct are printed in the 2010-2011 DACC Student Handbook.

Course Rules/Expectations
The course rules are simple.
1. No cell phone use in the classroom. This includes making and receiving calls and texting.
2. No food of any kind in the classroom. Eat your breakfast at home.
3. No children are allowed for obvious reasons.
4. No provision is made to make up exams. Manage your time wisely.
5. No laptops, radios, beepers, pagers, or any other electrical or electronic devices are allowed in the classroom.
6. **Exam rules:** Anyone entering an exam late will **not** be allowed to take the exam if one student has completed their exam and exited the classroom. No cheating. Violators will be dismissed from the class. Cell phone calculators are prohibited.
7. **Attendance policy:** You are expected to attend all scheduled class meetings. If absences are excessive, you may be dropped from the class.
8. **Withdrawal policy:** All students are subject to NMSU/DACC policy.

**Exam Rules**
Anyone entering an exam late will NOT be allowed to take the exam if one student has completed their exam and exited the classroom.

**Grading Procedure**
A guaranteed total points grading system is in effect in this class. The required points for grades are listed below:
- 250 - 225 = A
- 224 - 200 = B
- 199 - 175 = C
- 174 - 150 = D
- 149 - 000 = F

**Grading Points System**

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<thead>
<tr>
<th>Component</th>
<th>Chapters</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>First exam</td>
<td>1, 2, 3, 4</td>
<td>50</td>
</tr>
<tr>
<td>Second exam</td>
<td>5, 6, 7</td>
<td>50</td>
</tr>
<tr>
<td>Third exam</td>
<td>8, 9, 10</td>
<td>50</td>
</tr>
<tr>
<td>Fourth exam</td>
<td>11, 12, 13</td>
<td>50</td>
</tr>
<tr>
<td>Fifth exam</td>
<td>Chapter 14</td>
<td>50</td>
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<tr>
<td>Homework</td>
<td></td>
<td>50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>250</td>
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**ATTN:** There is no comprehensive final exam in this class.

The lowest score of the first four exams will be dropped from the calculation of your final grade. A five point extra credit question will be included on each of the exams. Periodic homework will be assigned during the semester. Unannounced quizzes may be given at the instructor’s discretion.

If you have questions or concerns with the final grade you receive in this course, you may file a grievance. You will need to follow the procedure outlined in the 2010-2011 Student Handbook.

**Tutorial Services/Student Success Center**
One-on-one learning assistance is provided for subjects such as math, English, reading, language, test-taking, study skills, and most of the program areas. These services are provided free of charge to students who are already enrolled in programs, as well as those who want to upgrade their skills prior to entering a program (DACC 2010-2011 Catalog, pg 14). Contact the Student Success Center located in DAMA 83 at the Las Cruces Central Campus or DAAR 201 at the East Mesa Center for more information.

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Library Services
The library system offers a variety of resources in both print and non-print formats, and promotes leading-edge technology and electronic resources. The student college I.D. serves as a library card for checking out books, which are loaned for three weeks. If you would like more information, contact the Library Media Center at 527-7555 or the East Mesa Library at 528-7260 (DACC 2010-2011 Catalog, pg. 15).

Career Services
Through a variety of services, the Career Services Office, located in room DAMA-99, assists students in achieving this goal. Students are advised to contact the office early in their first semester at DACC, in order that they might familiarize themselves with the services available and have adequate time to explore career options. For more information, call 527-7538 (DACC 2010-2011 Catalog, pg 15).

Bookstore
The bookstore is open from 8 a.m. to 5 p.m., Monday through Friday and is located in room DACL-170 at the Las Cruces Campus and in DAAR-102 at the East Mesa Campus. In addition to textbooks, the bookstore sells calculators, educational supplies, and other types of merchandise. To receive information on extended hours during registration periods for fall and spring semesters call 527-7692 (DACC 2010-2011 Catalog, pg. 15).

Financial Aid
As an open-door institution, DACC is committed to providing equal educational opportunities to students regardless of personal, economic, or social conditions. This commitment means helping students overcome financial barriers in getting the education they seek (DACC 2010-2011 Catalog, pg. 12). As you may be eligible for financial aid, stop by the Financial Aid office at the Las Cruces Campus in Room DAMA 115 or call 527-7696 for additional information.

Financial Aid Notice
You must attend class regularly or if enrolled in an online course, login and complete all course requirements to receive financial aid. Class participation is frequently monitored. If you stop participating or drop any course(s), you may be required to repay all or part of the financial aid received. It is a good idea to talk to a financial aid officer prior to withdrawing or dropping a course(s).

Services for Students with Disabilities
The Services for Students with Disabilities office provides resources, services, and assistance to ensure educational opportunities and personal development for persons with disabilities.

Students with Disabilities: If you have, or believe you have, a disability you may wish to self-identify. You may do so by providing documentation to the Office of Services for Students with Disabilities (SSD) located in Room 117 at the DACC Central Campus in Las Cruces (Gregg & Espina, Phone: Voice 527-7548. Appropriate accommodations may then be provided for you. Contact us at ssddacc@nmsu.edu with any questions. Information about SSD can be found on our webpage, http://dacc.nmsu.edu/SS/SSD/
If you have a condition which may affect your ability to exit the premises in an emergency or which may cause an emergency during class, you are encouraged to discuss this in confidence with the instructor and/or the Specialist, Services for Students with Disabilities.

Instructors should contact the Office of Services for Students with Disabilities before providing "reasonable accommodations" to a student. An ADA/504 violation can occur if an instructor does not provide reasonable accommodations when warranted or if the instructor is overly accommodating. Each student must be considered on an individual, case-by-case basis. Blanket approaches to providing accommodation for a type of disability are not appropriate.

**Counseling Assistance**
Student concerns can be addressed with the help of the counseling staff. Counselors are licensed by the State of New Mexico and are available by appointment to assist students with academic, personal and career concerns. Counselors are located in room DAMA-117 of the Student Services area, and appointments can be scheduled by calling 527-7548 (2010-2011 Student Handbook). [www.dacc.nmsu.edu/SS/Counseling/](http://www.dacc.nmsu.edu/SS/Counseling/) is the Counseling Assistance web site.

**Withdrawal/Attendance Policy**
Students are expected to attend regularly or if enrolled in an online course, regularly login for all courses which they are registered. When the number of absences or failure to login online, hinders a student’s progress in a course, the instructor may initiate a statement of the student’s excessive absences including a recommendation of retention or expulsion from a class. Based on the recommendation of the instructor and with the concurrence of the course division head and the Campus Instructional Officer, a student may be dropped for persistent absences or for persistent failure to complete assignments. (DACC 2010-2011 Student Handbook)

**Emergency Alert System**
For inclement weather notices or handling of other emergencies, Emergency Alert System (EAS) messages can be found at [http://safety.nmsu.edu/emergency.htm](http://safety.nmsu.edu/emergency.htm)

**Disclaimer**
The instructor reserves the right to change or alter this syllabus at any time during the semester through written addenda.
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<th>Week</th>
<th>Activity</th>
<th>Reference</th>
<th>Important Dates</th>
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<td>Financial Management</td>
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<td>8/30 – 9/1</td>
<td>Financial Statements</td>
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<td>4</td>
<td>9/8</td>
<td>Time Value of Money</td>
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<tr>
<td>5</td>
<td>9/13 – 15</td>
<td>Time Value of money</td>
<td>Chapter 4</td>
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<td>9/15</td>
<td>First Exam</td>
<td>Chapter 5</td>
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<td>6</td>
<td>9/20 – 22</td>
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<td>7</td>
<td>9/27 – 29</td>
<td>Bonds and Bond Valuations</td>
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<td>8</td>
<td>10/4 – 6</td>
<td>Stock and Stock Valuation</td>
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<td>Second Exam</td>
<td>Chapter 9</td>
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<td>9</td>
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<td>10/27</td>
<td>Third Exam</td>
<td>Chapter 13</td>
<td>10/27/2010</td>
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<tr>
<td>12</td>
<td>11/1 – 3</td>
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<td>Chapter 14</td>
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<td>13</td>
<td>11/8 – 10</td>
<td>Forecasting</td>
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<td>11/15 – 17</td>
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<td>Fourth Exam</td>
<td>Chapter 17</td>
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<td>11/22 – 26</td>
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<td>17</td>
<td>12/7</td>
<td>Fifth Exam</td>
<td>12/7/2010</td>
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**Important Dates:**

- Labor Day: 9/6/2010
- Last day to drop w/W: 10/12/2010
- Thanksgiving Break: 11/22-26/2010
- Finals Week: 12/6 – 10/2010