Course Syllabus

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Textbooks should have a separate appendix card with A, B, C, and D interest factors.

**COURSE DESCRIPTION:** Provides an introduction to financial relationships in our economic environment stressing concepts and techniques of financial management. Also included are the time value of money, basic instruments of financing, financial planning, capitalization, marketing of securities, dividend policies, financial combinations, the international dimensions, and social policy.

**Prerequisites:** ACCT 200 or ACCT 201, ECON 221, ECON 222, and STATS 213.

BFIN 2113, Principles of Finance (articulation competencies)

1. Demonstrate knowledge of financial statement analysis including understanding the preparation and content of the income statement, balance sheet, statement of stockholder’s equity and cash flow statement; using the financial data statement to compute financial ratios; and understanding how these financial data are used to guide decision making;

2. Explain the time value of money and its application in decision making, including calculating present and future values of single payments and series of payments; calculation of internal rates of return; calculation of payments needed to produce a present or future value and demonstration of competency with respect to the valuation of bonds and perpetuities; the use of financial calculators and spreadsheet programs is recommended.

3. Be able to compute expected return and standard deviation of return given a probability distribution; distinguish between unsystematic and systematic risk in efficient portfolio construction and explain how this relates to the risk-return tradeoff for the security market line (SML);

4. Demonstrate knowledge of capital markets and securities (debt and equity); be able to calculate the selling price of a bond at any stage in its life and calculate the value of common and preferred stock when the growth rate in dividend is constant.

5. Demonstrate an understanding of the cost of capital to the firm, including the cost of debt and equity financing in determining the weighted average cost of financial asset acquisitions and the firm generally and be able to compute the net present value, IRR and cash flow estimations for mutually exclusive projects and projects having unequal lifetimes;

6. Explain the determinants of operating and financial leverage and the impact of leverage on the variability of earnings and rates of return.

7. Explain the cost-benefit analysis involved in working capital management decisions involving cash, accounts receivable, inventory, accounts payable and short-term financing.

In addition, upon successful completion of the course, students will be able to:

8. Identify and use proper financial terminology;

9. Demonstrate knowledge of finance and its role in business activity;

10. Describe the advantages and disadvantages of the various means of financing a business;

11. Discuss the various financial institutions and their role in our overall economy;

12. Identify key aspects of the management of short-term assets, including the inventory cycle, economic order quantity concept, inventory valuation, high and low stock limits, reorder point and quantity, and management of accounts receivable; Identify the sources and uses of short-term funds.

13. Differentiate among the common forms of stocks and bonds and their role in the financing of a business;

14. Calculate the cost of capital and understand the basic capital budgeting process. Identify the sources and uses of capital funds.
COURSE RATIONALE: This course instructor requires that assigned work be submitted in proper English. The primary emphasis is a meaningful learning experience for the students. As with any course of instruction, there are certain requirements for memorization of information that in this instance provides the base upon which the understanding of the field of finance is built. In this regard, there will be no surprises as the testing will be on material in the text and covered in class. But equally as important are the assimilation of concepts and principles from the text to the world of business and finance by using real-life examples from newspapers, periodicals, etc. Students will be expected to contribute to this process from outside reading of materials available to them either in the Learning Resource Center, their employment, or other resources of their choosing.

Course Requirements

Attendance: Students are expected to be present for all scheduled class meetings, and contribute to/participate in all class activities. Attendance will be taken at each class meeting. In the event it is absolutely necessary to miss a class due to illness or other unforeseen circumstance, it is your responsibility to read the assigned chapters and get class notes from another member of the class. You are encouraged to get acquainted with others in the class and make arrangements to help each other out when you must be absent.

Student Responsibilities:
1. Read the chapter material in the textbook.
2. Attempt to answer the homework problems at the end of each chapter.
3. Participate in class discussions and class application problems.
4. Complete out of class chapter application problems and submit according to class schedule.
5. Apply chapter concepts to research project progressively through out the semester.
6. Complete unit exams according to class schedule.
7. Submit semester research project on or before due date.
8. Complete final exam.

Formative student-self assessments:

Knowledge survey Please begin this course by taking the pre-knowledge survey during the first week of class. The purpose of this survey is to serve as a study guide and to help you and the instructor evaluate the change produced in your knowledge by this course. It is important to make an accurate self-assessment so that you can obtain the best learning experience. This survey will be given again at the end of the semester, post-knowledge. Monitor your increasing mastery of the material as we proceed through the semester.

End of chapter problems are for the student’s self evaluation of concept mastery. Detailed solutions to all the problems are found behind the icon solutions to textbook problems on the class WebCT Supplement. The first few problems at the back of each chapter are quite basic in nature, the next grouping is of moderate difficulty, and finally there are complex problems. The one or two comprehensive problems at the end of many chapters often require and hour or more to solve. These problems will NOT be graded by the instructor, however many will be discussed in class.

Chapter review documents include a list of Chapter learning outcomes and a list of matching of key terms from that chapter and can be found on the WebCT supplement.

In-class work is given periodically at the discretion of the instructor, on both an announced and unannounced basis. It is therefore very important that you read each chapter in advance of the class meeting. These exercises may not be made up and the understanding of the problems will be critical in completing exams.
Summative assessments for feedback by instructor:

Application Problems: There will be application problems to be completed and submitted for most chapters. These will be graded. You may have to create and submit tables as part of some tasks. Grades will be based on the correct use of financial concepts discussed in the previous chapters. Be sure you answer ALL problems on the worksheet, show ALL work, formulas and references used in achieving answers. Check the schedule for the due date for submitting your work in a timely manner.

Unit EXAMINATIONS: There will be unit examinations in the course. The exams will cover the material in the textbook and covered in additional class work. You will have a an entire class period to complete the exam. Be sure to check the schedule for exam dates.

Comprehensive Summative Assessments

THE FINAL EXAM is in two parts: multiple choice and a comprehensive application worksheet portion. The application portion will be made available the week prior to finals and submitted at the time you take your objective portion of the final exam.

WRITTEN TERM PROJECT: Your term project will focus on writing a financial analysis of a large public company. A separate grading rubric will be provided. APA format is required with a table of contents.

DEADLINES: For full credit, all work assignments must be completed and submitted in accordance with the class schedule. Note: Because meeting deadlines is so important in the business world, it is a good idea to get in the habit of working ahead so that an unexpected event in your life will not preclude you from meeting your assigned deadlines! All applications are currently available, on the class WebCT supplement. There will be a 10 percent deduction for late work. Late work is defined as work that is not received during class on the date requested. There will be a 10 percent deduction after that class period and an additional 10 percent for every day there after. Work will not be accepted after one week.

GRADING: At the end of the semester, all scores for each student will be averaged and a letter grade assigned in accordance with the following scale:

<table>
<thead>
<tr>
<th>Score Range</th>
<th>Grade</th>
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<tbody>
<tr>
<td>100-90</td>
<td>A</td>
</tr>
<tr>
<td>89-80</td>
<td>B</td>
</tr>
<tr>
<td>79-70</td>
<td>C</td>
</tr>
<tr>
<td>69-60</td>
<td>D</td>
</tr>
<tr>
<td>59- 0</td>
<td>F</td>
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</tbody>
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Percentages of the total grade will be determined as follows:

- Periodic examinations (4) 20 percent
- Final examination 20 percent
- Application problems 25 percent
- Class participation 10 percent
- Research project 25 percent

Total 100 percent

Extra Credit is available through the participation in the class portfolio exercise. The portfolio is made up of all firms being researched by the class. The instructor establishes the initial value of the portfolio. Extra credit points will be determined after weekly trades, by the capital gains of each student’s portfolio at the end of the semester.
<table>
<thead>
<tr>
<th>School schedule</th>
<th>Content to be covered and work to be completed by</th>
<th>Due date</th>
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<tbody>
<tr>
<td><strong>January 00, 2011 - Instruction begins</strong></td>
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<tr>
<td><strong>Week 1</strong></td>
<td>Class Orientation – syllabus – <strong>Instructions</strong> – Knowledge Survey</td>
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| **Week 2** | Chapter 1 – The Goal and Functions of Financial Management  
Chapter 2 – Review of Accounting  
**Chapter applications 2** | | |
| **February 2011** | | |
| **Week 3** | Chapter 3 - Financial Analysis - ratios  
Chapter 4 – Financial Forecasting methods  
**Chapter applications 3, 4** | | |
| **Week 4** | Study; Review,  
**Exam #1 Chapters 1-2-3-4**  
Chapter 5 – Operating and Financial Leverage  
**Chapter applications 5** | | |
| **Week 5** | Chapter 6 – Working Capital and the Financing Decision  
Chapter 7 – Current Asset Management  
**Chapter applications 6, 7** | | |
| **Week 6** | Chapter 8 – Sources of Short-Term Financing  
**Review,  
EXAM #2 – Chapter 5-6-7-8** | | |
| **March 2011** | | |
| **Week 7** | Chapter 9 – Time Value of Money  
Chapter 10 – Valuation and Rates of Return  
**Chapter applications 9, 10** | | |
| **Week 8** | Chapter 11 – Cost of Capital  
Chapter 12 – The Capital Budgeting Decision  
**Chapter applications 11, 12** | | |
| **Spring Break March – no classes** | | | |
| **Week 9** | Study; Review,  
**Exam #3 – Chapters 9-10-11-12**  
Chapter 13 – Risk and Capital Budgeting | | |
| **April 2011** | | |
| **Week 10** | **Chapter applications 13**  
Chapter 14 – Capital Markets  
**Update paper due for semester analysis paper.** | | |
| **Final Exam Proctor information due ON or BEFORE April 4, 2010** | | |
| **Week 11** | Chapter 15 – Investment Banking: Public and Private Placement  
Chapter 16 – Long-Term Debt and Lease Financing  
**Chapter applications 15** | | |
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</tr>
</thead>
</table>
| Week 12         | **Study; Review, Exam 4 – 13, 14, 15, 16**  
Chapter 17 – Common and Preferred Stock Financing |          |
| Week 13         | **Chapter applications 17**  
Chapter 18 – Dividend Policy and Retained Earnings  
Chapter 19 - Convertibles, Warrants, and Derivatives |          |
| **April 00th last day to withdraw from class** | | |
| May 2011        | | |
| Week 14         | Chapter 20 - External Growth through Mergers  
Chapter 21 – International Financial Management  
Exam 5 – 18, 19, 20, 21 |          |
| Week 15         | **Corporation Analysis Research project due**  
Post knowledge survey, (This will be a helpful study review!)  
Study; Review, |          |
| Week 16         | **Comprehensive Final Exam, With Proctor**  
Thursday 05/13/2011 |          |

**House keeping:**

**Classroom Behavior Expectations**

- Class begins promptly. You should be in your seat and ready to start participating at that time. The door is subject to be closed and locked at the beginning of class, do NOT knock, the door will be opened when I have a break in the lecture.
- Arriving late, you will receive any graded work already distributed, after class.
- If you know you will have to leave early, no not disrupt others as you leave.
- Please do NOT ask the instructor if she is covering anything important that day, the course is carefully planned out- everyday is important.
- **There will be NO FOOD or colored beverages of any kind in the Instructional Technology Center classrooms.** This Food and Drink policy was designed to keep computer equipment and furnishings in good condition, to maintain a pest-free building, to reduce litter, and to ensure a clean environment for studying and working for you and future users.
- With new technology comes more responsibility. Cell phones must be turned off and put away during class. Students who have sick children at home (or some similar situation) may keep them on "silent". The student must then sit near the exit door where they can sprint to the hall if a call comes in. **You may not answer your phone in the classroom during class.** If a phone becomes a problem during class, the student will receive a reminder about this policy. If a phone becomes a persistent problem in class, the student will be directed to leave class and receive a grade of zero for any work due that day.
- Keep side conversations limited to class content and group activities assigned to enhance learning. Others can see you and you will distract them and interfere with their learning.
- Laptops and recorders are used at the discretion of the instructor and for clas content only. Please use the student lounge areas to play games.
- Do not study material for other classes during this class, use the LRC or other areas on campus.
- If you are so tired so that you cannot stay awake, you should leave, this is very rude and distracting to others. You will be marked absent if I observe you sleeping in class and I will not wake you.
- **STUDENT MISCONDUCT STATEMENT:** **In order to provide an environment conducive to learning, the student must feel safe to engage in a free exchange of ideas. Any behavior,**
action, or event that interferes with learning, in either an online or face-to-face environment, will not be tolerated. Disruptive behavior includes, but is not limited to, inappropriate dress, verbal or physical abuse, or signs of being under the influence of a chemical substance.

- Do NOT gather you personal and classroom materials early to leave, do not sip your backpacks, shuffle papers, there will be time for you to do that and you may miss important instructions for a deliverable or and exam.

OFFICIAL WITHDRAWAL: If you will be unable to complete the course, please go to the Registrar's Office and withdraw from the class officially. This is very important for your GPA.

ACADEMIC INTEGRITY: Students are responsible for achieving academic and course goals and objectives as prescribed by their instructors and for demonstrating attainment in an honest manner. Failure to do so may result in either grade changes and/or disciplinary action. Misrepresentation of knowledge can influence a course grade or determination of satisfactory fulfillment of an academic requirement. In addition, the following acts, or any other acts of academic dishonesty, compromise the integrity of the academic process and community and are subject to disciplinary action:

Plagiarism/Cheating: There is no toleration for academic dishonesty, which includes any form of cheating and plagiarism. Using someone else's ideas or phrasing and representing those ideas or phrasing as our own, either on purpose or through carelessness, is a serious offense known as plagiarism. "Ideas or phrasing" includes written or spoken material, of course — from whole papers and paragraphs to sentences, and, indeed, phrases — but it also includes statistics, lab results, art work, etc. "Someone else" can mean a professional source, such as a published writer or critic in a book, magazine, encyclopedia, or journal; an electronic resource such as material we discover on the World Wide Web; another student at school or anywhere else; a paper-writing "service" (online or otherwise) which offers to sell written papers for a fee.

PLAGIARISM: Plagiarism includes but is not limited to offering the work of another as one’s own; offering the work of another without proper acknowledgment; and/or failing to give credit for quotations or essentially identical expressions of material taken from books, encyclopedias, magazines, reference works, term papers, reports, or other writings of another individual.

CHEATING BEHAVIOR: Cheating behavior includes but is not limited to (a) dishonesty of any kind on examinations, quizzes, written assignments and projects; (b) unauthorized possession of examinations, quizzes or instructor records; © use of unauthorized notes or information during an examination, quiz, or exercise; (d) obtaining information during an examination or assignment from another individual and/or assisting others in cheating; (e) alteration of grades on an examination, an assignment, or records of an instructor or the college; (f) illegal entry or unauthorized presence in an office of the college or residence of an instructor, or unauthorized access to grade records or examination and assignment requirements; and (g) any act of fraud or misrepresentation. What does this mean?

Unless otherwise stated in your class syllabus, You can not:

1. Copy from someone else in part or whole on any exam, assignment, project, document, presentation, worksheet or database.
2. Work together on any exam, assignment, project, document, presentation, worksheet or database.
3. Allow others to copy from you on any exam, assignment, project, document, presentation, worksheet or database.
4. Submit another's work as your own in any way.

✔ Punitive action is at the discretion of the instructor. Options include, but are not limited to, receiving an “F” for the assignment, receiving an “F” for the course, or suspension from the university. Knowledge of academic dishonesty is considered to be equivalent and is also subject to the same disciplinary action listed above.
✓ You can be charged for the cost of the class and the text book.

ACCOMMODATION STATEMENT: Students who need accommodations (i.e., note taker, interpreter, special seating, etc.) Should contact the Special Services Department, located in Room 100 of the Arts and Science Center, to make arrangements in accordance with the Americans With Disabilities Act.

The instructor is the sole judge of what is appropriate in his/her class. Individuals affecting the learning or teaching process may be removed from the classroom, and, if the infraction is severe, from the institution.

CHANGES OR CORRECTIONS: This syllabus may be changed/corrected at any time at the discretion of the instructor.