



Dillard College of Business Administration

**FINC 3733.X40
Business Finance
Summer 2020**

Class Hours Online through D2L (Desire2Learn)

Contact Information

Instructor: Adam Y.C. Lei, Ph.D., CFA
Office: Dillard Building 219
 (940) 397-4403 adam.lei@msutexas.edu

Office Hours: Please contact Dr. Lei through email

Course Materials

Required:

- 1) Course Material (available through D2L), and
- 2) *M: Finance*, 4e, by Cornett, Adair, and Nofsinger, McGraw-Hill/Irwin. ISBN: 978-1259919633.
[Web Link](#) for students choosing the eBook option (only the textbook is required; we do not need the publisher's Connect access).

Recommended: The Wall Street Journal.

Course Prerequisites

Junior standing or above or consent of the chair, ACCT 2143, and ECON 2433.

Course Description

Introduction to the principles of financial management applied by domestic and international firms. Core topics include financial analysis, time value of money, risk and return, asset valuation, cost of capital and capital budgeting.

Other Requirements

- 1) Each student registered in this course is required to have the access to a modern personal computer, laptop, or other electronic device that is capable of playing video files in the MP4 format, and opening PowerPoint files, PDF files, and Excel files. A reliable broadband internet connection is also required for downloading the course material and taking the exams. Each student should download his/her own course material for D2L tracking purposes, and no technical problem at a student's end will be considered for grading purposes.

- 2) Each student should have a calculator capable of calculating the time value of money (a financial or scientific calculator will do). A student is expected to be familiar with the functions of his/her own calculator. For further information on the calculator requirement, please refer to the document “Guide to TI BA II Plus Calculator,” available on D2L under the content module “Course Information.”

Course Objective

A. General Learning Goals:

Upon successful completion of this course, students should:

- 1) Demonstrate problem solving and decision making abilities through the critical analysis, evaluation, and interpretation of business information.
- 2) Demonstrate a competency in speaking and writing for common business scenarios.
- 3) Be able to utilize available technology for common business applications.
- 4) Demonstrate ethical reasoning skills within a business environment.
- 5) Have an understanding of the influence of global and multicultural issues on business activities.

B. Course Specific Learning Goals:

Upon successful completion of this course, students should have developed the understanding of:

- 1) Firm organization and principal-agent relationships.
- 2) Fundamental financial statement analysis.
- 3) Time value of money, asset valuation, and the risk-return relation.
- 4) Cost of capital and capital budgeting.

Grading and Evaluation

Course Grading:

Component	Percentage
Course Information Quiz	2%
Midterm Exam I	22%
Midterm Exam II	22%
Midterm Exam III	22%
Final Exam	22%
Homework Assignments	10%
Total	<u>100%</u>

Numerical Grade	Meaning	Letter Grade
90 to 100	Excellent	A
80 to 90	Good	B
70 to 80	Satisfactory	C
60 to 70	Passing	D
Below 60	Failing	F

Exam grades will be posted on D2L under Gradebook after each exam. Grade adjustment, if any, will be announced on D2L after an exam is closed. All grades are firm and nonnegotiable. There is no rounding in grades, and there are no bonus points at the end of term. To maintain the fairness to the entire class, the same grading criteria will be applied to every student, and no personal reason will be considered for grading purposes.

Course Information Quiz:

The course information quiz consists of 10 multiple-choice questions on information contained in this syllabus and the document “Course Map and Instructions,” both available on D2L under the content module “Course Information.” *The quiz is available on D2L under the “Assessments” and then “Tests” tabs from 12:00 am U.S. central time on July 6, 2020 (Monday) to 6:00 pm U.S. central time on July 11, 2020 (Saturday).* The quiz has a continuous 60-minute time limit once it starts, and the time limit cannot be interrupted. The quiz can only be taken once, and it must be saved/submitted by 06:00 pm on July 11, 2020 (Saturday). There is no make-up quiz after the quiz ends on July 11, 2020 (Saturday), and this quiz is worth two points toward the semester grade (each quiz question is worth 0.2 point).

Exams:

There will be three midterm exams and one final exam during this term. The exams are non-comprehensive, but often the coverage of a later chapter would require the knowledge from earlier chapters. *An exam will be available online through D2L from 12:00 am U.S. central time on the exam open date to 06:00 pm U.S. central time on the exam close date (please see the end of this syllabus for the exam dates).* Each of the three midterm exams consists of 30 multiple-choice questions (each question is worth 3.3 points) and has a continuous 90-minute time limit once the exam starts. The final exam consists of 40 multiple-choice questions (each question is worth 2.5 points) and has a continuous 120-minute time limit once the exam starts. The time limits of the exams cannot be interrupted. *In addition, each exam can only be taken once, and it must be saved/submitted by 06:00 pm on the exam close date.* Unsaved/unsubmitted exams by 06:00 pm on the exam close date will have an exam grade of zero. To prevent cheating, the exam questions and the order of choices in a question are randomized. Different students may also get different questions of the same difficulty level in each exam. Students are not allowed to capture the exam questions by any means while taking an exam. Collaboration between/among students while taking an exam is considered cheating and is prohibited. For instructions on how to take an online exam through D2L, please refer to the document “Exam Instructions,” available on D2L under the content module “Course Information.”

The exams must be taken as scheduled and no student will be exempt from any exam. *There is no make-up exam in this course after the fact, and students missing an exam at the scheduled time without prior consent from the instructor will receive an exam grade of zero for the specific exam.* Students with valid excuses or authorized absences due to required participation in university-sponsored activities (please see Midwestern State University Undergraduate Catalog for the definition) should make prior arrangements with the instructor to take the exam at an alternative time. A valid excuse for exam purposes is defined as an *unforeseeable, proved, and documented* event that prevents the student from taking the exam as scheduled, and such event is deemed acceptable by the *instructor*. *Personal reasons and technical problems at a student's end will not be considered a valid excuse for a missed or an incomplete exam. Misreading, forgetting, or inattention to the exam dates and time specified in the syllabus will not be considered a valid excuse for a missed exam. No illness-related excuses will be accepted unless a student has a doctor's note or is a hospital inpatient during the scheduled exam time.* In the case of a valid excuse, the instructor must be notified of the excuse *before* the scheduled exam opens and the document justifying the excuse must be turned to the instructor within one week from the exam. A student failing to notify the instructor the excuse before the scheduled exam opens or not providing the document justifying the excuse in time will receive an exam grade of zero for the specific exam.

Homework Assignments:

On the last page of the PowerPoint slides for each covered chapter, there are the assigned end-of-chapter Questions and/or Problems from the textbook. *Students need to turn in their hand-written solutions for the assigned Problems but not the assigned Questions for each chapter with the assigned Problems through the Dropbox in D2L.* Of the 12 covered chapters, Chapter 1 and Chapter 12 do not have the assigned end-of-chapter Problems (i.e., they only have the assigned end-of-chapter Questions, of which the solutions do not need to be turned in). The assignment is worth one point toward the semester grade for each of the remaining 10 chapters, and 10 points in total. The uploaded files into the Dropbox in D2L could be photos or scanned images of the *hand-written* solutions (JPG and PDF files are fine; please do not use HEIC or other file formats that are not natively supported by D2L). *A submission made in file formats that are not natively supported by D2L will not be graded and will have an assignment grade of zero.*

The answers to those assigned end-of-chapter Questions and Problems are also provided in password-protected PDF files (please see the document "Course Map and Instructions," available on D2L under the content module "Course Information," for the password). Each student should write his/her own step-by-step solutions to the assigned Problems with no less detail than provided by the answer keys. By default, students turning in the assignment for a chapter will earn the point associated with the chapter. Assignments that are later found by the instructor to be illegible, contain insufficient details, or skip assigned problems will lose the associated points entirely. If two or more students submitted the same *hand-written* solutions for the same assignment, all involved parties will lose the associated point entirely. An assignment that is not *hand-written* will lose the associated point entirely unless the student provides documentation/justification from the Disability Support Services Office in advance.

The assignments are due at 6:00pm U.S. central time the day before the corresponding Exam opens. For instance, the assignments for Chapter 2 and Chapter 3 are due at 6:00 pm on July 12 (Sunday) *before* Exam I opens on July 13 (Monday) (please see the end of this syllabus for the

assignment due dates). Students can submit an assignment as soon as the corresponding coverage becomes available, and no late assignment will be accepted for any reason. *Students contacting the instructor in attempts to submit a late assignment will lose one point toward the semester grade each time such instance occurs.*

Instructor Drop:

Per the Midwestern State University Undergraduate Catalog:

An instructor may drop a student any time during the semester for excessive absences, for consistently failing to meet class assignments, for an indifferent attitude, or for disruptive conduct. The instructor must give the student a verbal or written warning prior to dropping the student from the class. An instructor's drop of a student takes precedence over the student-initiated course drop of a later date. The instructor will assign a grade of either WF or F through the first 9 weeks of a long semester, the first 6 weeks of a 10 week summer term, or the 12th class day of a 4 or 5 week summer term consisting of 20 days. After these periods the grade will be an F. The date the instructor drop form is received in the Office of the Registrar is the official drop date.

Students who fail to meet class assignments, show indifferent attitudes, or reveal disruptive conducts will be given warnings each time such instance occurs. Students with more than two warnings will be dropped from this course with a failing semester grade.

Other Course Policies

- 1) Please refer to the document "Course Map and Instructions," available on D2L under the content module "Course Information," first for further guidelines to this course.
- 2) The instructor cannot provide technical supports to a student's hardware/software problems other than making sure that the provided course material is in working order. For problems related to D2L, please check the [MSU Distance Education Website](#) or contact the University through the [Online Problem Reporting System Web Link](#).
- 3) Students have the responsibility to check regularly the course pages on D2L for new postings and course material. New material for the coverage of each exam will be available over time.
- 4) *Redistribution of any course material provided by the instructor in any form outside this class constitutes copyright infringement and is prohibited.*

Academic Integrity

Students shall follow the "Student Honor Creed" in the Midwestern State University Undergraduate Catalog. A student who commits academic dishonesty is subject to conduct sanctions (please refer to the Midwestern State University Student Handbook for the definitions of Academic Dishonesty, Conduct Sanctions, and Academic Misconduct Procedures).

Americans with Disabilities Act

This course follows the university policies and guidelines suggested by the Disability Support Services Office for qualified students. Students are referred to the Midwestern State University Undergraduate Catalog for details.

Campus Carry Policy

Senate Bill 11 passed by the 84th Texas Legislature allows licensed handgun holders to carry concealed handguns on campus, effective August 1, 2016. Areas excluded from concealed carry are appropriately marked, in accordance with state law. For more information regarding campus carry, please refer to the University's webpage at [Campus Carry Rules/Policies Web Link](#).

Syllabus Change Policy

This syllabus is a guide for this course and is subject to change with advanced notice.

References

Midwestern State University Student Handbook: [Student Handbook Web Link](#)

Midwestern State University Undergraduate Catalog: [Undergraduate Catalog Web Link](#)

Course Content and Outline

I. Introduction

Chapter 1: Introduction to Financial Management

II. Financial Statements

Chapter 2: Reviewing Financial Statements

Chapter 3: Analyzing Financial Statements

III. Time Value of Money

Chapter 4: Time Value of Money 1: Analyzing Single Cash Flows

Chapter 5: Time Value of Money 2: Analyzing Annuity Cash Flows

IV. Valuing of Bonds and Stocks

Chapter 7: Valuing Bonds

Chapter 8: Valuing Stocks

V. Risk and Return

Chapter 9: Characterizing Risk and Return

Chapter 10: Estimating Risk and Return

VI. Capital Budgeting

Chapter 11: Calculating the Cost of Capital

Chapter 12: Estimating Cash Flows on Capital Budgeting Projects

Chapter 13: Weighing Net Present Value and Other Capital Budgeting Criteria

Course Schedule

Month	Date	Schedule
7	6 to 9	Chapter 1, 2, 3
	13 to 16	Chapter 4, 5, 7
	20 to 23	Chapter 8, 9, 10
	27 to 30	Chapter 11
8	3 to 6	Chapter 12, 13

Homework Due and Exam Dates

Month	Date	Schedule			
7	6 to 9	6	7	8	9
	13 to 16	13: Exam I Open	14: Exam I Close	15	16
	20 to 23	20: Exam II Open	21: Exam II Close	22	23
	27 to 30	27	28: Exam III Open	29: Exam III Close	30
8	3 to 6	3	4	5: Final Exam Open	6: Final Exam Close

Homework for Exam I Coverage: July 12 (Sunday), 6:00 pm
Homework for Exam II Coverage: July 19 (Sunday), 6:00 pm
Homework for Exam III Coverage: July 27 (Monday), 6:00 pm
Homework for Final Exam Coverage: August 4 (Tuesday), 6:00 pm

Exam I: July 13 (Monday), 12:00 am to July 14 (Tuesday), 06:00 pm
Exam II: July 20 (Monday), 12:00 am to July 21 (Tuesday), 06:00 pm
Exam III: July 28 (Tuesday), 12:00 am to July 29 (Wednesday), 06:00 pm
Final Exam: August 5 (Wednesday), 12:00 am to August 6 (Thursday), 06:00 pm