



Dillard College of Business Administration

Syllabus: Business Finance

FINC 3733.201

Monday and Wednesday 9:30 am until 10:50 am Dillard Building 129

Fall Semester 2020

Contact Information

Instructor: Dr. Robert C. Forrester, Dillard Distinguished Professor of Energy Finance

Office: DB 209A

Office hours: Tuesday 12:30 pm to 2:00 pm, Wednesday 2:00 pm to 3:30 pm, Thursday 12:30 pm to 2:00 pm and by appointment. Zoom Office Hours ID: 288 612 8207 (you will enter the waiting room, and I'll bring you into the video conference).

Office phone: (940) 397-4360

Cell Phone: (940) 867-1156 (please not after 10 pm unless it's an emergency. Text messages work, too)

E-mail: robert.forrester@MSUTexas.edu

Zoom Link: <https://msutexas-edu.zoom.us/j/91955911802?pwd=NjFWR2pDK0JwMGhiK1phZUszOTdrZz09>

Zoom Data: Class Meeting ID: 919 5591 1802 Passcode: 6w276t

Course Materials

Cornett, Adair, and Nofsinger. *M: Finance*, 4e, McGraw-Hill Irwin, ISBN: 978-1259919633.

Connect 1 Semester Access Card for *M: Finance* homework.

The word *Plus* in the book title indicates that an access code is required to access the textbook companion website. The code can also be purchased online from this companion website. The link to this homework website is <https://connect.mheducation.com/class/r-forrester-business-finance-3733---f20>. I recommend that you obtain the code and register early. I will have readings and assignments uploaded on the website.

For grading purpose, please obtain your own code and register with your own name. Please use the first and last names consistent with your MSU university record.

Additional readings are posted to D2L

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.

Course Prerequisite(s)

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

Other Requirements

Each student is required to obtain an external webcam. The technical specifications should include: Sensor: CMOS; Minimum Resolution: HD 720p; Note: The webcam recommendations listed on this page meet or exceed the minimum resolution. For example, options with HD 1080p and 720p image resolution possess functionality to exceed the minimum; Viewing Angle: 70 degrees or higher; Interface: USB 2.0; Focus: Automatic or Manual; Microphone: Integrated microphone; Imaging Distance: 5 cm to infinity; Video Format: Color; Minimum Height of Camera (using gooseneck or tripod): 8 inches.

Each student also needs to have a financial calculator capable of calculating the time value of money and will need to bring it to each class. A student is expected to be familiar with his/her own calculator's functions. I will be using a Texas Instruments BAII Plus Professional for in-class examples. The "Professional" model performs some finance functions that other models cannot. Graphing calculators such as TI-83 or TI NSpire are not allowed on exams.

Learning Goals

I. General Learning Goals:

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

These general learning goals are among those established by the Dillard College of Business Administration. General learning goals represent the skills that graduates will carry with them into their careers. While assessing student performance in obtaining these general learning goals, the Dillard College is assessing its programs. The assessments assist us as we improve our curriculum and curriculum delivery.

II. Course Specific Learning Goals: After completing this course, students should be able to:

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

Course Policies

Attendance Policy: Regular attendance is expected. Participation in class discussion is graded, so reading the assigned material and completing assignments prior to coming to class is also expected. See the university catalog for the University Class Attendance Policy.

Class attendance, *Midwestern State University Undergraduate Catalog (2014-2016)*, p. 71:

Students are expected to attend all meetings of the classes in which they are enrolled. Although in general students are graded on intellectual effort and performance rather than attendance, absences may lower the student's grade where class attendance and class participation are deemed essential by the faculty member. In those classes where attendance is considered as part of the grade, the

instructor should so inform students of the specifics in writing at the beginning of the semester in a syllabus or separate attendance policy statement. An instructor who has an attendance policy must keep records on a daily basis. The instructor must give the student a verbal or written warning prior to being dropped from the class. An instructor's records will stand as evidence of absences. A student with excessive absences may be dropped from a course by the instructor. Any individual faculty member or college has the authority to establish an attendance policy, providing the policy is in accordance with the General University Policies.

For the record keeping purpose, each class period a roll sheet will be passed through the class and students need to make sure that they sign on the roll sheet. Signing any other student's name on the roll sheet is considered as an act of disruptive conduct in this course.

Instructor Drop, *Midwestern State University Undergraduate Catalog (2014-2016)*, p. 76:

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 8 weeks of a long semester, the first 6 weeks of a 10 week summer term, or the 11th 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 show up for class meetings more than three times without valid excuses will be dropped from this course with a failing grade. A valid excuse is defined as an authorized absence (see *Midwestern State University Undergraduate Catalog (2014-2016)* for the definition) or an unforeseeable, proved, and documented event that requires the student's presence in a place other than the classroom during the class period, and such event is deemed acceptable by the instructor. In the case of an excused absence, the document justifying the absence must be turned to the instructor within one week from the absence.

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 grade.

Other Related Policies

The exams must be taken as scheduled. There are no make-up exams in this course and students missing an exam without a valid excuse will receive an exam grade of zero for the specific exam. A valid excuse is defined as an authorized absence (see *Midwestern State University Undergraduate Catalog (2014-2016)* p. 70, for the definition) or an unforeseeable, proved, and documented event that requires the student's presence in a place other than the classroom during the class period, and such event is deemed acceptable by the instructor. In the case of an excused absence, the document justifying the absence must be turned to the instructor within one week from the absence, and the weight assigned for the missed exam will be redistributed to the other exams. No student will be allowed to miss the final exam.

Grading and Evaluation:

Exams: There will be four exams during this semester in the assigned classroom. The first three exams will be held during the regular class hours. The final exam will be held by the university schedule (please see the end of this syllabus for the exam dates). Each of the three midterm exams consists of 30 multiple-choice questions. The final exam consists of 40 multiple-choice questions. The exams will include questions on any covered material, e.g., lecture notes, classroom discussions, and reading assignments. Each student will need a calculator and Scantron for the exams. The use of cell phones is not allowed during the exams.

Online homework: For the chapters we cover this semester, there are online assignments on the textbook companion website. I recommend you finish the chapter reading assignment before we cover that chapter in class, and work on the practice assignment while we cover that chapter. If you correctly complete 80% of the Connect homework prior to the last class day you will receive 20 points. The assignments allow multiple attempts, so you can try and submit your results as many times as you want for each assignment, and I will record your highest score. Only assignments submitted prior to midnight, Sunday, December 6 will be graded.

Mid Term Grades

In order to help students keep track of their progress toward course objectives, the instructor for this class will provide a Midterm Progress Report through each student's D2L account. Midterm grades will not be reported on the students' transcript; nor will they be calculated in the cumulative GPA. They simply give students an idea of where they stand at the midpoint of the semester. Students earning below a C at the midway point should schedule a meeting with the professor and seek out tutoring.

Other Course Policies

- 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 link to MSU technical support or contact the University at distance.ed@mwsu.edu.
- 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 posted over time.
- 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" on the Midwestern State University Undergraduate Catalog (2014-2016). A student who commits academic dishonesty is subject to conduct sanctions (please refer to the Midwestern State University Student Handbook (2015-2016) 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 (2014-2016) for details.

COVID and Zoom Classroom Attendance

This is a face-to-face class. Welcome to the course. I hope you are as excited as I am about the resumption of face-to-face classes! Please remember that facemasks are required at all times in the Dillard Building. I can't allow you to sit in the class if you aren't wearing a facemask properly (e.g. your nose is covered too). If you have arranged with me to attend via the live stream due to an underlying health or other urgent condition, here's the link to join the Zoom live stream.

<https://msutexas-edu.zoom.us/j/91955911802?pwd=NjFWR2pDK0JwMGhiK1phZUszOTdrZz09>. Please be proficient with Zoom before the class begins. See you on Monday, August 24, 2020.

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 link to MSU campus carry rules and policies.

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 (2016-2017)

Link to MSU 2016-2017 Student Handbook

Midwestern State University Undergraduate Catalog (2016-2018)

Link to MSU 2016-2018 Undergraduate Catalogue

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. Valuing of Future Cash Flows

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

Table 1: Points allocated to each assignment

Element	Points
Exam 1	80
Exam 2	100
Exam 3	100
Final Exam	100
Homework	20
Total Points	400

Table 2: Grading System

Grade	Points
A	360 or greater
B	320 to 359
C	280 to 319
D	240 to 279
F	Less than 240

Semester grades will be reported through normal University channels with no exceptions.