Dillard College of Business Administration

SYLLABUS: Business Finance FINC 3733
Fall 2010
Section 102 11:00am – 12:20pm DB 133
Section 103 2:00pm – 3:20pm DB 133

Instructor: Dr. Qian Li, Assistant Professor in Finance
Office: DH 227
Office Phone: 940-397-4711
FAX: 940-397-4693
Office Hours: Tuesday/Thursday 9:30am -10:50am; 3:30pm-5:10pm
Wednesday: 11:00am-12:00pm, 2:00pm-5:00pm; or upon appointment
E-mail: qian.li@mwsu.edu

Required Materials and Accessory


Calculator: Bring a working finance calculator with you to each class. I recommend Texas Instruments BAII Plus, and in class I will use TI BAII plus to demonstrate calculations. If you use a different type of calculator, it is YOUR responsibility to know how to use the financial functions built in your calculator to get solutions.

WEBCT: We will make extensive use of WEBCT /Blackboard (http://distance.mwsu.edu/webct.asp). Make sure that you have access to this course on WEBCT/Blackboard. From WEBCT you will see this syllabus, lecture slides, important announcements and a message board where communicating with other students, etc. You can also check your grades there. However, email contact with the instructor will NOT be through WEBCT. Instead, you should send your email to qian.li@mwsu.edu

If you have problem using WEBCT, please refer to the following website about your login information: http://distance.mwsu.edu/distance/webct_help.asp
For more helps on using this system, please refer to: http://distance.mwsu.edu/FAQ.asp
or contact MWSU Office of Distant Education (distance.ed@mwsu.edu)
**Prerequisite**

Junior standing or above or consent of the chair, ACCT 2143, and ECON 2433. It is YOUR responsibility to make sure that you meet the prerequisite requirements. Failure to do that may result in withdrawal from the class, even at late point of this semester.

**Course Overview**

**General Learning Goals:**
- **Problem solving and decision making abilities through the critical analysis, evaluation, and interpretation of business information:** Students will demonstrate problem solving and decision-making ability as they synthesize information from different angles to analyze topics such as firms’ financial conditions and interest rate pattern, and make decisions on circumstances such as capital budgeting. Scores on quizzes and exams are based on the appropriateness of student’s numerical analysis

- **Course Specific Learning Goals**
  Business finance is a core part of all BBA degree programs and is required of all students who pursue a BBA degree in the College of Business Administration. This course covers the specialized terminology, techniques, and principles appropriate to the management of money within all types of organizations – especially publicly owned business corporations. Primary topics covered in business finance are:

  - Financial statement analysis
  - Time value of money
  - Basic bond and stock valuation, and
  - Introduction to cost of capital and capital budgeting

The teaching approach used in this course is designed to achieve the following objectives.

1. Improve students’ knowledge of the highly specialized terminology which is appropriate to the field of finance.

2. Assist students in learning fundamental financial principles and practices which are generally appropriate to carrying out the finance function within an organization with the objective of maximizing the organization’s value.

3. Promote greater understanding, through the application of course material, to the solution of structured problems in finance.
Grading

Exams: There will be three equally weighted exams. Each exam is weighted 25% into your overall grade. The first exam will cover financial statement analysis, which includes Ch 1, 2, and 3. The second exam will cover time value of money concepts, including Ch 4, 5, 6, and 7. Final exam will be mandatory and cover both time value of money concepts and basic capital budgeting concepts (Ch 11, 12 and 13). Format and contents of an exam will be announced in class prior to the exam.

There will be no make-up for the exams. It is the student’s responsibility to know when and where exams will be held. If you have an unavoidable conflict you must discuss this with me at least one week before the exam. If an emergency arises, please notify me immediately; if you cannot reach me directly, please leave a message. If you miss one exam, with a valid reason, the weight of the missed exam will be transferred into the other two exams that you can take (for example, if you miss the first exam, then your other two exams will be totally weighted 75%). This option can only be exercised once, meaning that if you miss two exams, you lose at least 25 points in your total grade. An unexcused absence from the exam will result in a grade of zero.

Quizzes: During the semester you will be given 3 quizzes. The lowest quiz grade will be dropped. Therefore each of the remaining two quizzes will be weighted 10% into your overall grade. If you miss one quiz, it will be automatically graded as zero and dropped as your lowest grade. If you miss more than one quiz, one zero grade will be dropped and the other one (ones) will still be counted as zero and carried into your overall grade.

Participation: Student participation is very important for this course. Therefore participation credits are given to encourage students to engage in class discussion and participation. Students with outstandingly good participation can earn up to 5 points of participation grades, while students that seldom participate or are disruptive to class may get zero participation grade. In addition to participate in class, your participation on WEBCT will also be evaluated.

Grading Schedules: In general, the following grading schedules will apply:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Grade</th>
<th>Exam 1</th>
<th>Exam 2</th>
<th>Final Exam</th>
<th>Quizzes</th>
<th>Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 - 90%</td>
<td>A (superior)</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>20%</td>
<td>5% (10% * 2)</td>
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<tr>
<td>89 - 80%</td>
<td>B (above average)</td>
<td>25%</td>
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<tr>
<td>79 - 70%</td>
<td>C (average)</td>
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<tr>
<td>69 - 60%</td>
<td>D (below average)</td>
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</tr>
<tr>
<td>≤ 59%</td>
<td>F (failing)</td>
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</table>

After I finish grading the quizzes or exams, I will bring them to class to return them to you. If you cannot pick up yours in class, you have to appear in my office in person to pick them up. Due to privacy concerns, you cannot pick up projects or exams for other students, including your friends. Also due to privacy concerns, I do not give grades out via phone or email.

Arguing for your grades: If you believe there is a mistake in your grading, please feel free to bring it back to me for a double-check. However, you can only do so within 7 business days since your exam/report is returned to you, and you have to appear in person to do so.
**Attendance and Classroom Policy**

- **Arrive on time for each class meeting.** Arriving late to class is disruptive to your fellow students. While arriving late for class is occasionally unavoidable, arriving late for excessive times may result in lower grade or being administratively dropped from class.
- **Avoid excessive absences.** Students are expected to attend all class meetings. Absences may lower a student’s grade. A student with excessive absences may be dropped from the course by the instructor. (*MSU Undergraduate Catalog 2010-2012, Vol. LXXVIII, No. 1, p. 78*).
- **Prepare for each class.** Read the assigned material, answer end-of-chapter questions and problems, and come to class prepared to ask questions over issues you do not understand, answer questions from the instructor, and participate in class exercises and discussions when appropriate.
- **Silence your cell phone/pager.** Either turn it off, or switch it to silent mode. Phone rings or beeper beeps disrupt the whole class and will NOT be tolerated.
- **No private chat with your fellow students in class.** If you want to speak, speak loudly so that the whole class can hear you.
- **No food or beverage is allowed in the classroom.** This is a college policy.

Violating above rules will either cause you being dropped from this class or cause your final letter grade to be lowered according to the severity of the violation.

**Academic Integrity**

With regard to academic honesty, students are referred to the “Student Honor Creed” on p. 19 of *Midwestern State University Undergraduate Catalog, 2010-2012, Vol. LXXVIII, No. 1*. Academic dishonesty such as cheating, lying, collusion, and plagiarism is taken seriously and will be investigated. The minimum penalty is an "F" in this course and referral to the Dean of Students for disciplinary action, which may result in expulsion from the University.

**Americans with Disabilities Act**

If a student has an established disability as defined in the *Americans with Disabilities Act* and would like to request accommodation, that student should see me as soon as possible (within the first two weeks of the semester). Refer to my office hours and phone number shown on page 1. This class follows the guidelines suggested by the Center for Counseling and Disabilities Services for students who qualify for disability services. See Page 21 of *Midwestern State University Undergraduate Catalog, 2010-2012, Vol. LXXVIII, No. 1* for details.
**Some Insights Into This Course**

The following insights are offered by the instructor based on many years of experience teaching this course. It is hoped that some of these comments will assist you in successfully studying and learning the significant concepts in business finance.

1. Students have indicated that the workload necessary to successfully complete business finance ranges from moderate to heavy depending on their backgrounds in economics, accounting, and statistics.

2. The textbook used in this course is an important element in the study of finance. For best results, you should carefully study each assigned chapter, work as many problems and answer as many study questions as is necessary to understand the concepts, and come to each class prepared to ask questions and participate in class activities.

3. As an applied field of study, finance draws heavily from the fields of economics and accounting. Reasonable backgrounds in both of these areas will greatly help you understand finance.

4. Finance is also a quantitative subject. Many finance topics presented in standard finance textbooks are easier to understand if one has a reasonable background in statistical topics such as descriptive statistics (especially mean and standard deviation), basic probability theory, probability distributions (especially the normal distribution), and simple regression and correlation analysis.

5. The study of finance builds from one chapter to another. An understanding of one chapter depends on the degree of mastery of previous chapters. Thus, it is not a good idea to get behind during the semester or wait until the last minute to study for a test.

**Syllabus Change Policy**

This syllabus and the following class schedule serve as reference for the course, and they are subject to change. Syllabus changes will be communicated in class or on WEBCT.
## Tentative Class Schedule:
**FINC 3733  Fall 2010**  
**Instructor: Dr. Qian Li**

<table>
<thead>
<tr>
<th>Week</th>
<th>Tuesday</th>
<th>Topic</th>
<th>Reading</th>
<th>Thursday</th>
<th>Topic</th>
<th>Reading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>24-Aug-10</td>
<td>Syllabus and Class Policy Discussion</td>
<td>Syllabus</td>
<td>26-Aug-10</td>
<td>Introduction to Financial Management</td>
<td>Ch 1</td>
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<td>2</td>
<td>31-Aug-10</td>
<td>Reviewing Financial Statements</td>
<td>Ch 2</td>
<td>2-Sep-10</td>
<td>Reviewing Financial Statements</td>
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<td>3</td>
<td>7-Sep-10</td>
<td>Quiz 1</td>
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<td>9-Sep-10</td>
<td>Analyzing Financial Statements</td>
<td>Ch 3</td>
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<tr>
<td>4</td>
<td>14-Sep-10</td>
<td>Analyzing Financial Statements</td>
<td>Ch 3</td>
<td>16-Sep-10</td>
<td>Exam 1 Review</td>
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<tr>
<td>5</td>
<td>21-Sep-10</td>
<td>Exam 1</td>
<td>Ch 1, 2, 3</td>
<td>23-Sep-10</td>
<td>Time Value of Money: Part 1</td>
<td>Ch 4</td>
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<tr>
<td>6</td>
<td>28-Sep-10</td>
<td>Time Value of Money: Part 2</td>
<td>Ch 5</td>
<td>30-Sep-10</td>
<td>Time Value of Money: Part 2</td>
<td>Ch 5</td>
</tr>
<tr>
<td>7</td>
<td>5-Oct-10</td>
<td>Time Value of Money: Part 2</td>
<td>Ch 5</td>
<td>7-Oct-10</td>
<td>Time Value of Money Review, Quiz 2 Prep</td>
<td>Ch 4, 5, 7</td>
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<td>8</td>
<td>12-Oct-10</td>
<td>Quiz 2</td>
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<td>14-Oct-10</td>
<td>Bond Valuation</td>
<td>Ch 6</td>
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<td>9</td>
<td>19-Oct-10</td>
<td>Bond Valuation</td>
<td>Ch 6</td>
<td>21-Oct-10</td>
<td>Stock Valuation</td>
<td>Ch 7</td>
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<td>26-Oct-10</td>
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<td>Ch 7</td>
<td>28-Oct-10</td>
<td>Stock Valuation</td>
<td>Ch 7</td>
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<td>11</td>
<td>2-Nov-10</td>
<td>TVM, Bond and Stock Valuation: Review</td>
<td>Ch 6, 7</td>
<td>4-Nov-10</td>
<td>Exam 2</td>
<td>Ch 4, 5, 6, 7</td>
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<tr>
<td>12</td>
<td>9-Nov-10</td>
<td>Cost of Capital</td>
<td>Ch 11</td>
<td>11-Nov-10</td>
<td>Cost of Capital</td>
<td>Ch 11</td>
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<td>14</td>
<td>23-Nov-10</td>
<td>Estimating Cash Flows for Capital Budgeting</td>
<td>Ch 12</td>
<td>25-Nov-10</td>
<td>Thanksgiving Holiday, No Class</td>
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<td>15</td>
<td>30-Nov-10</td>
<td>Capital Budgeting Criteria</td>
<td>Ch 13</td>
<td>2-Dec-10</td>
<td>Capital Budgeting Criteria</td>
<td>Ch 13</td>
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<tr>
<td>16</td>
<td></td>
<td>Final Exam *</td>
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*11:00am class: Final exam is scheduled at 10:30am-12:30pm, Tuesday, Dec 7  
2:00pm class: Final exam is scheduled at 1:00pm-3:00pm, Thursday, Dec 9*