FINC 3733 Business Finance  
Summer 2012  
Dillard College of Business Administration  
Midwestern State University

Class Hours: Online through Blackboard/WebCT

Contact Information

Instructor: Adam Y.C. Lei, Ph.D., CFA  
Office: DB 219  
940-397-4403 adam.lei@mwsu.edu

Office Hours: Monday – Thursday, 06:00 pm – 06:40 pm, and by appointment

Course Material

Required: 1) Course Assets (available through Blackboard/WebCT), and  
2) *M: Finance*, by Cornett, Adair, and Nofsinger, McGraw-Hill Irwin,  

Recommended: The Wall Street Journal

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 Prerequisites

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

Other Requirements

1) Each student registered in this course is required to have the access to a modern personal computer or laptop that is capable of playing videos files with sounds 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 for taking the exams. No technical problem at a student’s end will be considered for grading purposes.

2) Each student also needs to 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 his/her own calculator’s functions.
**Course Objective**

*A. General Learning Goals:*

Upon successful completion of this course, students will:

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) Have an understanding of the influence of global and multicultural issues on business activities.
4) Be able to utilize available technology for common business applications.

*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:**

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<thead>
<tr>
<th></th>
<th>Midterm Exam I</th>
<th>Midterm Exam II</th>
<th>Midterm Exam III</th>
<th>Final Exam</th>
<th>Total</th>
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<td>100%</td>
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<td>90-100</td>
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<td>A</td>
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<td>80-90</td>
<td>(Good)</td>
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<tr>
<td>60-70</td>
<td>(Passing)</td>
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<td>Below 60</td>
<td>(Failing)</td>
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<td>F</td>
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All grades are firm and non-negotiable. There is no rounding in grades. 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.
Exams:

There will be three midterm exams and one final exam during this term. The exams are non-comprehensive, but in some cases the coverage of a later chapter may require the knowledge from an earlier chapter. An exam will be available online through Blackboard/WebCT from 12:00am U.S. central time on the exam open date to 11:59pm U.S. central time on the exam close date (please see the end of this syllabus for the scheduled 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 11:59pm on the exam close date. Unsaved/unsubmitted exams by 11:59pm on the exam close date will have an exam grade of zero. To prevent cheating, the exam questions are randomized and different students may 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.

The exams must be taken as scheduled. There is no make-up exam 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 (please see Midwestern State University Undergraduate Catalog (2010-2012) p. 77-78 for the definition). Personal reasons and technical problems at a student’s end will not be considered a valid excuse for a missed or an incomplete exam. 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 at the instructor’s discretion. No student will be allowed to miss the final exam.

Instructor Drop, Midwestern State University Undergraduate Catalog (2010-2012), p. 73

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 being dropped 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 8th week of a long semester, the 6th week 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 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 Course Policies

1) Please refer to the document “Course Map and Instructions” 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 Blackboard/WebCT, please check http://distance.mwsu.edu/webct.asp or contact the University at distance.ed@mwsu.edu.

3) Students have the responsibility to check regularly the course pages on Blackboard/WebCT for new postings and course material. New material for the coverage of each exam will be posted over time by Monday of each week.

4) Redistribution of any course material provided by the instructor in any form outside this class is prohibited.

Academic Integrity

Students shall follow the “Student Honor Creed” on p. 4 of the Midwestern State University Student Handbook (2011-2012). A student who commits academic dishonesty is subject to conduct sanctions (please refer to the Handbook for the definitions of Academic Dishonesty (p. 77 Item 11), Conduct Sanctions (p. 80-81), and Academic Misconduct Procedures (p. 82-84 Section 4)).

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 p. 21 of the Midwestern State University Undergraduate Catalog (2010-2012) for details.

Syllabus Change Policy

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

References

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

IV. Valuing of Bonds and Stocks

Chapter 6: Valuing Bonds
Chapter 7: 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

<table>
<thead>
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<th>Month</th>
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<tbody>
<tr>
<td>7</td>
<td>2-6*</td>
<td>Chapter 1, 2, 3</td>
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<td>9-12</td>
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<td>16-19</td>
<td>Chapter 7, 9, 10</td>
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<td>23-26</td>
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<tr>
<td>7/8</td>
<td>30-2</td>
<td>Chapter 11, 12, 13</td>
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*July 4 (Wednesday) is not a class day, but July 6 (Friday) is a class day.

### Exam Dates

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<thead>
<tr>
<th>Month</th>
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<th>Schedule</th>
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<tbody>
<tr>
<td>7</td>
<td>2-6</td>
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<tr>
<td></td>
<td>9-12</td>
<td>9: Exam I open</td>
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<td></td>
<td>16-19</td>
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<td>23-26</td>
<td>24: Exam III open</td>
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<tr>
<td>7/8</td>
<td>30-2</td>
<td>1: Final Exam open</td>
</tr>
</tbody>
</table>

Exam I: July 9 (Monday) – July 10 (Tuesday)  
Exam II: July 16 (Monday) – July 17 (Tuesday)  
Exam III: July 24 (Tuesday) – July 25 (Wednesday)  
Final Exam: August 1 (Wednesday) – August 2 (Thursday)