

## **FIN 300 - Business Finance**

(Section 4; Class Number 1418)

Term: Spring 2023	Instructor: Dr. Priscilla Liang
Classroom: Sierra Hall1411	Office: Sage Hall 2131
Class Schedule: 3-5:50 pm Wed	Phone: 805 - 437 8926
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### **Course Description**

FIN 300 is a required introductory finance course for all undergraduate business students. Prerequisites for this class are: (a) BUS 309-Quantitative Foundations for Business, (b) BUS 310-Business Discourse for 21<sup>st</sup> Century Professional, and (c) MGT 326-Business Ethics.

FIN 300 introduces students to theories and practices of planning, procuring, and controlling the short-term and long-term financial resources of business organizations. Major topics include analysis of financial statements, Time Value of Money, capital budgeting, debt and equity markets, security valuations, cost and structure of capital, dividend policies, and raising capital. Business finance is a critical element of business education. This subject area helps students understand how business finance decisions are made and how they are integrated with other business decisions.

### **Learning Outcomes**

Upon the successful completion of this course, students will be able to:

1. Explain and apply theories and concepts of business finance. You should be able to do the following in detail:
  - Identify the ultimate goal of financial management (2,3,5,6\*)
  - Analyze and utilize financial statements (1,2,3,5,6\*)
  - Calculate the Time Value of Money (TVM) and apply TVM skill to stock and bond valuations (1,2,3,5,6\*)
  - Estimate various investment criteria and evaluate capital budgeting decisions (1,2,3,5,6\*)
  - Explain the trade-offs between risk and return, and apply Capital Asset Pricing Theory (1,2,3,5,6\*)
  - Calculate and analyze Weighted Average Cost of Capital (1,2,3,5,6\*)
  - Evaluate different dividend policies (1,2,3,5,6\*)
  - Identify various methods and channels of raising capital (1,2,3,5,6\*)
2. Analyze real-world finance case(s) using business finance theories and practices (1,2,3,4,5,6\*)
3. Apply business finance knowledge to develop critical thinking, problem solving, and decision-making skills (1,2,3,4,5,6\*)
4. Work collaboratively in a group environment (1,2,3,4,5,6\*)

\*The above Learning Outcomes align with MVS's Program Learning Outcomes for: 1) Critical Thinking, 2) Oral Communication, 3) Written Communication, 4) Conduct (Ethics), 5) Competencies in Discipline and 6) Collaboration.

## **Required Materials**

1. **Required Textbook:** *Essentials of Corporate Finance*, 9th Edition, by Stephen A. Ross, Randolph W. Westerfield, and Bradford D. Jordan. New York, NY: Irwin McGraw-Hill, 2015. You may [rent a 9th](#) edition (\$10 cost) or any older edition of this textbook from Amazon at a very low price. If you want to pursue a Finance Option or a career in finance, I suggest you keep a copy of the textbook for future use.
2. **A Financial Calculator:** Many financial calculators are available on the market. TI BAII is supported by the textbook. Make sure the calculator you use is able to calculate Net Present Value (NPV) and Internal Rate of Return (IRR).
  - Many students already purchased TI 83/85/89 or a more advanced TI model. Those calculators have finance functions and can be used for this class.
3. It is recommended that you remain current on business/finance/economic news. You can find the latest issues of [The Wall Street Journal](#) and [BusinessWeek](#) at the university library or on library web pages. You can also view daily business/finance news on websites such as <http://www.msn.com>, <https://www.reuters.com>, and <https://www.cnn.com/business..>

## **Grading**

Grading for the course will be as follows:

	<u>Weight</u>
Homework Assignments	14%
Quizzes	14%
Group Project Analysis	12%
Midterm Exam1	15%
Midterm Exam2	20%
Final Exam	25% (Cumulative)

A student's final grade for the course may be curved against the class mean. If so, the probability distribution is assumed to be normally distributed. The distribution is such that A: 16%, B & C: 68%, D & F: 16%. Plus/minus may be given.

## **Homework (14%)**

- Homework assignments are designed to help students to review important financial theories and practice business finance problems. Students are required to read assigned

chapters before a lecture and review them and do assigned homework after. You will not do well in quizzes and exams if you skip homework practices.

- Please do not type homework answers. Please do not copy and paste homework solutions. You will automatically fail the class if you do so.

### Quizzes (14%)

Minimum of 10 quizzes will be given either in-class or online to check your progress. **There is no make-up opportunity for missing a quiz under any circumstances.**

### Group Course Project Analysis (12%)

Students will conduct financial analyses of real companies in a group setting. The course project is designed to apply knowledge and skills to real-world business finance decision-making process and develop critical thinking skills and collaboration skills.

### Examinations (Total 60%)

- The exams will be closed book and based on assigned readings, lectures, quizzes, and homework problems.
- There will be three in-class exams. Exams include multiple choices, problem solving, or/and short essays. Exams are graded on a partial credit basis.
- **No Make-up Examination** will be given unless you encounter illness, injury, or a family emergency **with documented proof**. You should inform me of such emergency before or on the exam date.

### Class Participation

Active learning is a key for success. A very important element in active learning process is class participation and discussion. Therefore, it is critical that you complete assigned readings and homework on time. Students may be called upon to explain chapter concepts, answer questions, or present homework/quiz solutions during a class.

### Policies

1. **No late assignments will be accepted.** If you will not be able to turn in an assignment on time due to a special circumstance, **please notify me immediately**. Special permissions for late coursework (other than quizzes) may be granted due to illness, injury, or family emergencies **with documented proof**.
2. **Cheating and Plagiarism:** This course will adhere to [CSUCI's academic dishonesty policy](#). "CI values academic integrity and will not tolerate acts of academic dishonesty. If a student commits an act of academic dishonesty in a course, the faculty member shall handle the incident based

on applicable campus procedures. " A student will automatically **fail** the class due to academic dishonesty.

3. Accommodations for Students with Disabilities: Cal State Channel Islands is committed to equal educational opportunities for qualified students with disabilities in compliance with Section 504 of the Federal Rehabilitation Act of 1973 and the Americans with Disabilities Act (ADA) of 1990. The purpose of [Disability Accommodations and Support Services](#) is to assist students with disabilities to realize their academic and personal potential. Students with disabilities needing accommodation are required to contact the Disability Program office at (805) 437-3331. All requests for accommodations need appropriate advance notice by the student to avoid a delay in services. Please discuss approved accommodations with faculty.

### Covid-Related Policies

Students are required to abide by all COVID-19 related policies that are mandated by the University. If you have any medical needs, please do not hesitate to reach out. I am only an email away! I am committed to **working with** students to explore all possible options to achieve your academic goals.

### Tentative Course Schedule

<b>Week</b>	<b>Topics &amp; Chapters</b>
1	Course Administration Chapter 1: Introduction to Financial Management Chapter 2: Review I/S and B/S
2	Continue Chapter 2 Chapter 3: Working with Financial Statements
3	Chapter 4: Introduction to Valuation: The Time Value of Money Chapter 5: Discounted Cash Flow Valuation
4	Continue Chapter 5

5	Midterm Exam 1 Chapter 6: Interest Rate and Bond Valuation
6	Continue Chapter 6
7	Chapter 14: Dividends and Dividend Policy Chapter 7: Equity Markets and Stock Valuation
8	Continue Chapter 7 Chapter 8: Net Present Value and Other Investment Criteria
9	Continue Chapter 8 Chapter 9: Making Capital Investment Decisions*
10	Midterm Exam 2 Chapter 10: Some Lessons from Capital Market History*
11	Chapter 11: Risk and Return
12	Continue Chapter 11 Chapter 12: Cost of Capital
13	Continue Chapter 12 Chapter 13: Leverage and Capital Structure*
14	Chapter 15: Raising Capital

15	Review for Final Exam
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**Disclaimer:** Information contained in this syllabus, other than that mandated by the University, may be subject to change with advance notice as deemed appropriate by the instructor. Topics and their timing listed under the tentative course schedule may be adjusted during the semester depending on the pace and needs of the class.