

California State University-Channel Islands

BUS 555 Financial Principles and Strategies Course Syllabus

Term	Spring 2024		Instructor	Dr. William Teng, CFA
Classroom	Virtual		Office	South Carolina
Class Schedule	6:30 p.m. - 9:30 p.m. (PT) Wednesday		Phone	(423) 502-9885
Email	Wenyuanwilliam.teng@csuci.edu		Office Hours	5:30 p.m. - 6:30 p.m. (PT) Wednesday via Zoom

Course Description

BUS 555 Financial Principles and Strategies examines theories, policies, and practices of financial decision making. This course focuses on financial principles and strategies as they relate to areas of financial statement analysis, cash flow valuation, capital budgeting, risk management, capital structuring and restructuring, dividend policy, and interactions between financial markets and corporations.

Learning Outcomes

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

1. Apply theories and concepts of corporate finance to assess financial management decisions. (1, 2, 3, 5, 6*)
2. Analyze corporate finance cases using quantitative analytical tools and critical thinking skills. (1, 2, 3, 5, 6*)
3. 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. Textbook

- Ross, Westerfield, Jaffe, and Jordan (2024) *Corporate Finance: Core Principles and Applications* (7th Edition) McGraw-Hill
 - This course requires Connect access. To purchase 180 days of access to digital edition with Connect access, visit

<https://www.mheducation.com/highered/product/corporate-finance-core-principles-applications-jordan-jaffe/1264413114.html>

- Digital edition ISBN10: 1266837108 | ISBN13: 9781266837104

Format: Connect With SmartBook

(McGraw Hill eBook is included with Connect purchase. Access resources and tools in one place: eBook, complete homework, and customized assignments based on your progress)



2. Lawrence A. Cunningham & Warren E. Buffett (2019) *The Essays of Warren Buffett: Lessons for Corporate America* (Fifth Edition) Carolina Academic Press
 Print ISBN13: 9781531017507; ISBN10: 1531017509
 eText ISBN13: 9781531017514; ISBN10: 1531017517
3. A Laptop/computer with Microsoft Excel: We will use Microsoft Excel in and out of the class. If you don't have a laptop, you may borrow a laptop from the university library.

Optional Resources

4. It is recommended that you remain current on finance/business/economic news. You can find the latest issues of The Wall Street Journal and BusinessWeek at the university library or on library website. You can also view business/finance news on websites such as:

<http://www.finance.yahoo.com>
<http://www.bloomberg.com>
<http://www.msn.com>
<https://www.reuters.com>
<https://www.cnn.com/business>

5. A financial calculator is not required. The instructor recommends Texas Instruments BA II if you would like to purchase one.

Grading Policy

Course grade components and their weights are as follows:

Grade Components	Weight
SmartBook (SB) Assignments	20%
Homework Assignments	30%
Tests (3)	30%
Book Report	10%
Attendance/Participation	10%

A student's final grade for the course will be evaluated as follows. Plus and minus grades will be given.

A: 90-100

B: 80-89

C: 70-79

D: 60-69

F: below 60

Course Assignments

SmartBook (SB) Assignments in Connect (20%)

SmartBook is a digital copy of your course textbook. Using adaptive learning technology, SmartBook is able to tailor the content of the text to suit your specific learning needs.

Please watch this SmartBook introductory [video](#) if you are new to SmartBook learning platform.

Homework Assignments in Connect (30%):

Students are required to read assigned chapters before each weekly lecture and complete homework assignments in McGraw-Hill Connect. Please see the Course Schedule on the final page of this syllabus for the reading assignments. Homework assignments are designed to help students understand corporate finance models and solve finance problems.

Each homework assignment allows two attempts. You start over in a new attempt. For each attempt, you can check your answers three times before submitting your assignment.

Tests in Connect (30%):

There will be three tests to be completed in Connect. Each test contains 30 multiple-choice questions, and students have two attempts and 150 minutes to complete it. The low score will be dropped. The exams will be open-book and open-notes and based on assigned reading, lectures, and homework problems. To avoid technical issues, please complete the test in one sitting.

No make-up examination will be given if you miss an exam without a legitimate reason. If you have to miss an exam due to illness or other emergency situation, please inform me as soon as possible.

Book Report (10%):

Students will read *The Essays of Warren Buffett: Lessons for Corporate America* and write a book report following the APA writing style.

This book records Warren Buffett's philosophy on corporate governance, corporate finance and investing, M&A, accounting policy, business valuation, etc. New and experienced readers alike will gain an invaluable informal education by perusing this classic arrangement of Mr. Buffett's insight in his annual letters to the shareholders of Berkshire Hathaway.

It is ok if you obtain an older edition of the book and use it to write your book report.

Your book report should be at least three-page long, excluding cover page and bibliography, with font size 12 and double spacing.

Class Participation (10%)

The class participation credit is based on student's class attendance and participation in class discussions.

Class Expectations: Take the Initiative and be Prepared

1. Please be prepared to review *Business Finance* theories on regular basis. Regardless of whether a student pursues a finance career, it is important that the student has a solid understanding of important aspects of corporate financial management. The prerequisite course, FIN 300, gives students the basic foundational skills and knowledge to move on to advanced concepts in corporate finance. It is important that students review concepts and theories learned in FIN 300 on their own as we will not have time to cover these basic concepts in class.
2. Please be prepared to use Microsoft Excel. We will utilize Microsoft Excel to complete homework assignments. If you are not familiar with Microsoft Excel, please learn how to use it. As a CSUCI student, you have a free access to "LinkedIn Learning" where you will find many excel tutorials/classes.
3. Please be prepared to participate in class activities. Active learning is a key to success. A very important element in the active learning process is class participation. It is critical that you complete all assignments on time. During the class, students will be called upon to explain concepts, answer questions, and collaborate discussions.

Policies

1. Add/drop, withdraw, and incomplete policies: Students should comply with the university's add/drop, withdraw, and incomplete policies.
2. **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 permission for late coursework may be granted due to illness, injury, or family emergencies. However, a **10 percent grade deduction per week will apply to all late assignments that are accepted.**
3. 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.
4. 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.

Tentative Course Schedule

Week	Dates	Topics	Assignments Due by the End of the Course Week
1	1/22-1/28	Ch. 2 Financial Statements and Cash Flow	Ch. 2 SB & HW
2	1/29-2/4	Ch. 3 Financial Statements Analysis and Financial Models	Ch. 3 SB & HW
3	2/5-2/11	Ch. 4 Discounted Cash Flow Valuation	Ch. 4 SB & HW
4	2/12-2/18	Ch. 5 Interest Rates and Bond Valuation	Ch. 5 SB & HW Test 1: Chs. 2-5
5	2/19-2/25	Ch. 6 Stock Valuation	Ch. 6 SB & HW
6	2/26-3/3	Ch. 7 Net Present Value and Other Investment Rules	Ch. 7 SB & HW
7	3/4-3/10	Ch. 8 Making Capital Investment Decisions	Ch. 8 SB & HW
8	3/11-3/17	Ch. 11 Return and Risk: The Capital Asset Pricing Model (CAPM)	Ch. 11 SB & HW
	3/18-3/24	Spring Recess. No Class. No Assignments Due.	
9	3/25-3/31	Ch. 12 Risk, Cost of Capital, and Valuation	Ch. 12 HW Test 2: Chs. 6-8, 11 & 12
10	4/1-4/7	Ch. 14 Capital Structure: Basic Concepts	Ch. 14 SB & HW
11	4/8-4/14	Ch. 15 Capital Structure: Limits to the Use of Debt	Ch. 15 SB & HW
12	4/15-4/21	Ch. 16 Dividends and Other Payouts	Ch. 16 SB & HW
13	4/22-4/28	Ch. 18 Short-Term Financing & Planning	Ch. 18 SB & HW
14	4/29-5/5	Review	Test 3: Chs. 14-16 & 18
15	5/6-5/12	Review	Book Report

Note: 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 listed under the tentative course schedule may be adjusted during the semester depending on the pace and needs of the class.