

CALIFORNIA STATE UNIVERSITY, CHANNEL ISLANDS

SYLLABUS

FIN 300 - Business Finance

(Class Number 2598)

Term:	Spring 2019	Instructor:	Dr. Priscilla Liang
Class room:	Broome Library 2330	Office:	Sage Hall 2131
Class Schedule:	9 - 11:50am M	Phone:	805 - 4378926
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Course Description

FIN 300 is a required introductory finance course for all undergraduate business students. Prerequisites of this class are ACCT 220 (Managerial Accounting), MATH 140 (Calculus for Business Applications) or MATH 150.

FIN 300 introduces students to theories and practices of principles of planning, procuring, and controlling long-term and short-term financial resources of business organizations. Main topics include financial statement and analyses, Time Value of Money, capital budget, debt and equity markets, security valuation, risk/return and diversification, cost and structure of capital, dividend policies, and raising capital. FIN 300 is a critical element of business education. It helps students understand how business financial decisions are made and how they are integrated with other business arena.

Learning Outcomes

Students completing this course will be able to:

1. Explain and apply theories and concepts of business finance. In detail, you should be able to:
 - a. Identify the ultimate goal of financial management (2,3,5*)
 - b. Construct and analyze financial statements(1,2,3,5)
 - c. Calculate Time Value of Money(TVM) and apply TVM skills to stocks and bonds valuation(1,2,3,5)
 - d. Estimate various investment criteria and evaluate capital budget decisions(1,2,3,5)
 - e. Explain the trade-off relationship between risk and return and apply Capital Asset Pricing Theory (1,2,3,5)
 - f. Calculate and apply Weighted Average Cost of Capital (1,2,3,5)
 - g. Describe financial leverage and optimal/target capital structure (1,2,3,5)
 - h. Evaluate different dividend policies and conceptualize clientele effect (1,2,3,5)
 - i. Identify various methods and channels of raising capital(1,2,3,5)

2. Analyze real-world business finance cases using business finance theories and practices (1,2,3,4,5,6)
3. Work collaboratively in a group environment (1,2,3,4,5,6)

**Above Learning Outcomes aligns with MVS' Program Learning Outcomes for: 1) Critical thinking, 2) Oral communication, 3) Written Communication, 4) Conduct (Ethics), 5) Competencies in discipline, 6) Collaboration*

Required Materials

1. Essentials of Corporate Finance, 9th Edition, by Stephen A. Ross, Randolph W. Westerfield, and Bradford D. Jordan. New York, NY: Irwin McGraw-Hill, 2016. The book is available for order from the CI Bookstore <http://www.csuci.bkstr.com>
2. A Financial Calculator: Many financial calculators are available on the market. TI BAII is supported by the textbook. Make sure the calculator you have is able to calculate Net Present Value (NPV) and Internal Rate of Return (IRR). **It is a student's responsibility to purchase a calculator with financial functions and learn to operate it.**
 - **Always Bring Your Textbook and Calculator to Class.**
3. Business/Finance/Economic news: It is recommended that you are updated on current business/finance/economic news. You can find the latest issues of [The Wall Street Journal](#) and [BusinessWeek](#) at the university library or find daily business/finance news on websites such as <http://www.bloomberg.com/>, <http://money.cnn.com/> or from various business news apps.

Grading

Grading for the course will be as follows:

	<u>Weight</u>
Midterm Exam1	20%
Midterm Exam2	20%
Final Exam	30% (Cumulative)
Case Analyses	14% (7% each)
Homework Assignments	6% (2% each)
Quizzes	10%

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

Examinations

- 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, and/or short essays. Exams are graded on a partial credit basis.
- **No Make-up Examination** will be given. If you miss one of the exams, you have a choice to take a **cumulative make-up** exam during the final examination week.

Group Case Analyses

Two group cases are designed to help students to make connections between textbook theories and real business finance applications, and to build collaboration and communication skills. Details will be given during the course.

Homework

- Homework assignments are designed to help students to review important financial theories and to practice business finance problems. Students are required to read assigned chapters before a lecture and review them and do assigned homework after. **Please finish and correct homework before you take online quizzes.** You will not do well in quizzes and exams if you skip homework practices.
- Please do not type homework. Please do not copy and paste homework solutions. You will automatically **fail** the class if you do so.
- Three homework assignments will be collected before you take the exams.

Quizzes

Minimum of 10 quizzes will be given either online or in-class to check your progress. Some quizzes are listed under the tentative Course Schedule. Surprise quizzes are not. **There is no make-up opportunity for missing a quiz under any circumstances.**

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, homework, and online quizzes (in this order) on time. During the class, students will be called upon to explain chapter concepts, answer questions, or present homework/quiz solutions.

Policies

1. Add/drop, withdraw, and incomplete policy: Students should comply with the university policy for add/drop, withdraw, and incomplete procedure.
2. No late work will be accepted. This policy applies to homework assignments, case analyses, all exams and quizzes.
3. Cell Phones, Calculators, and Laptops: Cell phones must be set to “Off.” If you are expecting an urgent call you may set it to “Vibrate” and leave the classroom to answer the call. Texting is not allowed and cell phones shall not be visible during class at any time. Programmable calculators are not allowed on homework, quizzes, and exams. **No laptop computers are allowed in classroom.** In order to follow lectures better, students should print out Power Point Presentations posted on Blackboard for each chapter before the lecture.
4. Statement of Academic Integrity: This course will adhere to [CSUCI's academic dishonesty policy](#).
5. 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 Resource Program 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 me as soon as the semester starts.

Tentative Course Schedule

Week	Topics & Chapters to Read (before lectures)	Assignments*
1(1/21)	Martin Luther King, Jr. Day. NO face-to-face class meeting. However, please read Chapter 1&2, listen to taped lectures online and complete assignments for week 1. Chapter 1: Introduction to Financial Management Chapter 2: Financial Statements, Taxes, and Cash Flow	Online Quiz (Chapter 1)
2(1/28)	Chapter 2: Review I/S and B/S, CFFA Chapter 3: Working with Financial Statements**	Case 1 assigned
3(2/4)	Chapter 4: Introduction to Valuation: The Time Value of Money Chapter 5: Discounted Cash Flow Valuation	Quiz: Chapter 2
4(2/11)	Continue Chapter 5	Quiz (Chapter 4&5)
5(2/18)	Chapter 6: Interest Rate and Bond Valuation	Quiz (Chapter 6)
6(2/25)	Chapter 14: Dividends and Dividend Policy	Homework 1 due before the exam Midterm Exam 1 (Chapter 1,2,4,5,6)
7(3/4)	Chapter 7: Equity Markets and Stock Valuation	
8(3/11)	Continue Chapter 7 Chapter 8: Net Present Value and Other Investment Criteria	Quiz: Equity valuation
Spring Break (3/18-3/23)		
9(3/25)	Review Chapter 8 Chapter 9: Making Capital Investment Decisions** Chapter 10: Some Lessons from Capital Market History**	Case 1 due Case 2 assigned
10(4/1)	César Chávez Day. No face-to-face class. However, please listen to taped lectures online and complete assignments for the week Chapter 10: Some Lessons from Capital Market History** Chapter 11: Risk and Return	Quiz (Chapter 10 and 11)
11(4/8)	Review Chapter 11	Quiz: CAPM, Expected return and variance
12(4/15)	Chapter 12: Cost of Capital	Homework 2 due before the exam Midterm Exam 2 (Chapter 7,8,10,11,14)
13(4/22)	Continue Chapter 12	Quiz: Cost of debt/equity/preferred stock

14(4/29)	Chapter 15: Raising Capital	Quiz (Chapter 12)
15(5/6)	Review for Final Exam	
16(5/13)	Homework 3 due before the exam; Case 2 due Final Exam (Cumulative)	

* All online quizzes are due on or before midnight Sunday of the week. Quiz answers will be available online the next day after the due date. Please review your quizzes and visit me during my office hours with your questions.

** Review or brief introductions only

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 and assignments and their timing listed under the tentative course schedule may be adjusted during the semester depending on the pace and needs of the class.