Syllabus for CRNs 10350 and 10351 Spring 2014

General Course Information

Course Title  Business Finance
Description  A study of financial decision making in the business enterprise. Emphasis is placed on quantitative analysis of cash flows; working capital management; ratio analysis; the time value of money; capital budgeting techniques; short and long-term financing; and costs of capital.

College  Lutgert College of Business
Department  Economics & Finance
Course No.  FIN 3403
Credit Hours  3

Meeting Information

<table>
<thead>
<tr>
<th>CRN</th>
<th>Start</th>
<th>End</th>
<th>Days and Time</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>10350</td>
<td>1-07-14</td>
<td>4-24-14</td>
<td>TR 12:30 – 1:45</td>
<td>LH2202</td>
</tr>
<tr>
<td>10351</td>
<td>1-07-14</td>
<td>4-24-14</td>
<td>TR 5:00 – 6:15</td>
<td>LH1202</td>
</tr>
</tbody>
</table>

The Final Exam for CRN 10350 is scheduled for Thursday 5-01-14 from 10:30 – 1:15. The Final Exam for CRN 10351 is scheduled for Monday, May 5 from 4:30 – 7:15.

Prerequisites  ACG 2021, ACG 2071, ECO 2013, ECO 2023, CGS 1100, MAC 2233, and STA 2023 all with a minimum grade of C.

Location  This is an on-campus course, not a distance learning course.

Instructor Information

Instructor  Steven R. Scheff
E-Mail  sscheff@fgcu.edu
Phone  (239) 590-7315
Office  Lutgert Hall 3361
Office Hours

Tuesdays and Thursdays 2:30 - 4:00 PM. Please call or email ahead of time to ensure availability. There are no office hours on the day of an exam.

Teaching Philosophy

This fundamental course in financial management is required of business students worldwide. The content is essential to the effective management of successful business enterprises, and should be mastered by every business major. The course integrates material from the prerequisite courses, involving a thorough understanding of the use of financial statements (Accounting), and the impact of the economy on decision making (Economics). Rational decision making also requires the analytical skills (Mathematics and Statistics) needed to quantify risk and return parameters. Successful completion of the course should prepare students for the capstone Business Strategy experience.

To get the full benefit of the course and earn a good grade, it will be necessary to come to class PREPARED to participate, by studying all assigned material beforehand. Class lectures may not be recorded.

The intent of this syllabus is to provide students with the information necessary to anticipate, plan and schedule their participation in the course, as well as to answer students’ most frequently asked questions. Please check with the instructor if you are unable to find the information you need within this syllabus. You should view the instructor as a complement to, not a substitute for, the course text. It is your job to learn; it is my job to help you learn.

Additional Instructor Information

As a member of this class, you are expected to show respect for all people. Such respect specifically precludes any type of harassment, inappropriate comments, or conduct that might create a hostile environment. We expect the climate in the classroom to be professional at all times.

Course Materials

Required Course Materials

**TEXTBOOK.** Essentials of Corporate Finance, 8th edition by Ross, Westerfield, and Jordan; McGraw-Hill.

**SOFTWARE.** McGraw-Hill’s CONNECT™ package for homework and online quiz administration. The CONNECT site access for CRN 10350, which meets at 12:30, is http://connect.mcgraw-hill.com/class/s_scheff_spring_2014_1230;

for CRN 10351, which meets at 5:00, the CONNECT site access is http://connect.mcgraw-hill.com/class/s_scheff_spring_2014_500_2

**CALCULATOR:** A stand-alone (i.e., not an app) financial calculator with no internet access, programmability, or communication capability is required for all exams and quizzes. In accordance with department policy, the stand-alone financial calculator is the ONLY electronic device allowed to be used during quizzes and exams in order to ensure classroom equity and integrity. The Finance faculty strongly recommends the TI BAII Plus (Professional model for Finance majors)
because textbook and classroom demonstrations will be based solely on this device.

**SCANTRONS:** For each exam, you will need a Scantron, Pearson NCS Test Sheet Form No. 95679. These must not be folded or wrinkled.

I recommend you stay current with financial news by reading the Wall Street Journal at least several times a week. Discounted subscription rates are available to students.

Course Policies

| Grading, Attendance, and Other Policies | GRADING: | A = 90% or better  
Exam 1                                    25%  
Exam 2                                    25%  
Final                                     35%  
Quizzes & Homework                        15% |
|-----------------------------------------|----------|-----------------------------|

1. **GRADES:** The course grade for all students will be determined solely by the grading scale shown above. There is no scaling of grades and no provision for “extra credit” work. Every student has the same opportunity to succeed.

2. **ATTENDANCE:** You should attend all class sessions, and be prepared to participate with comments and questions on the material covered. If you must miss a session, obtain notes from a classmate. You are responsible for knowing what was covered in class. That includes new material, assignments, quizzes, exams, and changes to the syllabus. Habitual absences have an adverse impact on quiz and exam performance, while regular and attentive participation improves a student’s chances of obtaining a good grade.

3. **QUIZZES and HOMEWORK:** Quizzes and homework may be administered online (using McGraw-Hill’s CONNECT™) or in-class, and will cover current or recent material. Missed quizzes and homework cannot be made up and will count as “0”, in accordance with department policy for all sections. The two lowest Quiz/Homework scores will be dropped in calculating your grade for this segment. It is the responsibility of students to allow for contingencies and ensure timely access to the internet.

4. **EXAMS:** Concepts carry over throughout the course, with approximately one-half or more of the comprehensive final examination based on material covered in earlier exams. There are no make-up exams. The weight of one missed examination (#1 or #2, but not both) will be added to the final examination. Missing a second exam, or missing the final exam, will result in a grade of zero for that examination. There is no option to drop an exam score once the exam has been taken. Exams may consist of true/false questions, multiple choice questions, and/or problems.
Learning Objectives

Learning Objective
1. Utilize financial accounting data to assess the financial health and direction of a firm.

Assessment Strategy
1. Quiz, homework, and exam questions that emphasize financial statement and ratio analysis, utilizing the income statement, balance sheet, and statement of cash flows.

2. Apply time value of money techniques to make multi-period investment decisions and security valuations.

Assessment Strategy
2. Quiz, homework, and exam questions on present and future valuations of lump sums, annuities, and uneven cash flow streams; and on stock and bond valuation problems.

3. Use statistical analysis to quantify risk and return in uncertain economic environments.

Assessment Strategy
3. Quiz, homework, and exam questions on determining expected rates of return, standard deviation of returns, and other applications of statistics to quantify risk and return assessments.

4. Forecast cash flows and apply capital budgeting decision techniques to make capital investment decisions.

Assessment Strategy
4. Quiz, homework, and exam questions on cash flow forecasting methods and capital budgeting techniques, to include net present value and internal rate of return methods.

Schedule (Subject to change) Spring 2014

Tue, Jan 7...........Chapter 1 INTRODUCTION TO FINANCIAL MANAGEMENT.
Thu, Jan 9..........Chapter 2 FINANCIAL STATEMENTS, TAXES, AND CASH FLOW.
Tue, Jan 14...........Chapter 2 (cont.)
Thu, Jan 16.........Chapter 3 WORKING WITH FINANCIAL STATEMENTS
Tue, Jan 21.........Chapter 3 (cont.)
Thu, Jan 23........Chapter 16 SHORT-TERM FINANCIAL PLANNING
Tue, Jan 28.........Chapter 16 (cont.)
Thu, Jan 30........Review
Tue, Feb 4.........EXAM 1 Chapters 1 - 3 and 16.
Thu, Feb 6.........Review Exam 1. Chapter 4 TIME VALUE OF MONEY
Tue, Feb 11.........Chapter 4 (cont.)
Thu, Feb 13........Chapter 5 DISCOUNTED CASH FLOW VALUATION
Tue, Feb 18.........Chapter 5 (cont.)
Thu, Feb 20........Chapter 6 INTEREST RATES AND BOND VALUATION
Tue, Feb 25........Chapter 6 (cont.).
Thu, Feb 27........Chapter 7 EQUITY MARKETS AND STOCK VALUATION
Mar 3–Mar 8........Spring Break
Tue, Mar 11........ Chapter 7 (cont.)
Thu, Mar 13........ Chapter 10 LESSONS FROM CAPITAL MARKET HISTORY
Tue, Mar 18........Chapter 11 RISK AND RETURN
Thu, Mar 20......Chapter 11 (cont.)
Tue, Mar 25......Exam 2 Chapters 4 - 7, 10, and 11.
Thu, Mar 27......Review Exam 2. Chapter 8 NET PRESENT VALUE AND OTHER CRITERIA
Fri, Mar 28........LAST DAY TO WITHDRAW WITHOUT ACADEMIC PENALTY
Tue, Apr 1........Chapter 8 (cont.)
Thu, Apr 3...........Chapter 9 MAKING CAPITAL INVESTMENT DECISIONS
Tue, Apr 8.........Chapter 9 (cont.).
Thu, Apr 10........Chapter 9 (cont.)
Tue, Apr 15...... Chapter 18 INTERNATIONAL ASPECTS OF FINANCIAL MANAGEMENT (up to PURCHASING POWER PARITY)
Thu, Apr 17...... Chapter 12 COST OF CAPITAL
Tue, Apr 22.......Chapter 12 (cont.)
Thu, Apr 24.......Chapter 12 (cont.)
Thu, May 1.......COMPREHENSIVE FINAL EXAM 10:30 AM – 1:15 PM for CRN 10350
Mon, May 5.......COMPREHENSIVE FINAL EXAM 4:30 – 7:15 PM for CRN 10351

University Statements:

Academic Behavior Standards and Academic Dishonesty
All students are expected to demonstrate honesty in their academic pursuits. The university policies regarding issues of honesty can be found in the FGCU Student Guidebook under the Student Code of Conduct and Policies and Procedures sections. All students are expected to study this document which outlines their responsibilities and consequences for violations of the policy. The FGCU Student Guidebook is available online at http://studentservices.fgcu.edu/judicialaffairs/new.html

Disability Accommodations Services
Florida Gulf Coast University, in accordance with the Americans with Disabilities Act and the university’s guiding principles, will provide classroom and academic accommodations to students with documented disabilities. If you need to request an accommodation in this class due to a disability, or you suspect that your academic performance is affected by a disability, please contact the Office of Adaptive Services located in Howard Hall 137. Their phone number is 239-590-7956 or TTY 239-590-7930

Student Observance of Religious Holidays
All students at Florida Gulf Coast University have a right to expect that the University will reasonably accommodate their religious observances, practices, and beliefs. Students, upon prior notification to their instructors, shall be excused from class or other scheduled academic activity to observe a religious holy day of their faith. Students shall be permitted a reasonable amount of time to make up the material or activities covered in their absence. Students shall not be penalized due to absence from class or other scheduled academic activity because of religious observances. Where practicable, major examinations, major assignments, and University ceremonies will not be scheduled on a major religious holy day. A student who is to be excused from class for a religious observance is not required to provide a second party certification of the reason for the absence.