COURSE NUMBER: FIN 367.04
COURSE TITLE: Business Finance
INSTRUCTOR: Dr. Kurt Jesswein
OFFICE: SHB 200M
E-MAIL: Kurt.Jesswein@shsu.edu
WEB PAGE: www.shsu.edu/~krj004
PHONE: (936) 294-4582
OFFICE HOURS: Monday-Thursday, 9:30 a.m. – 11:00 a.m., Wednesday, 5:00 p.m. – 6:00 p.m., or by appointment.
REQUIRED TEXT: Brigham and Houston, *Fundamentals of Financial Management*, Concise 5th Ed., South-Western, 2007. ISBN 0-324-31983-5.

Other Resources: A financial calculator is very highly recommended. The *TI BA-II Plus* or *HP 10BII*, both around $30, and the *TI-83 Plus* (one you may have from a previous math/statistics class) are suggested.

SUPPLEMENTAL MATERIALS: I periodically supplement course information with announcements placed on Blackboard or through emails. Thus, it is imperative that you periodically check Blackboard for course updates and be certain that the email address listed on the Blackboard system is one that you regularly access or have forwarded to an account that you more regularly check. **Your first assignment is to enter Blackboard and complete a brief questionnaire, acknowledging your understanding of the requirements for this course. The assignment is worth 0.2 percent of your overall grade in the course which could be the difference in a letter grade so please take care of it early.**

DESCRIPTION OF COURSE: A study is made of financial principles as applied to management of funds, capital budgeting, sources of funds, techniques of financial analysis, cost of capital, financial leverage, capital structure, forecasting financial needs, management of working capital, financial policies, analysis and regulation of security issues, and international finance.

COURSE OBJECTIVES: At the end of the course the student will have gained factual knowledge of business finance, will know the fundamental principles, generalizations, and theories of finance, and will be able to apply the course material.

PREREQUISITES: ACC 232 and MTH 199 or equivalent.

CLASS MEETINGS: SHB 108 Tuesday-Thursday 8:00 a.m. – 9:20 a.m. beginning on Thursday, January 17, 2008 and ending with the final exam on Thursday, May 15, 2008 at 8:00 a.m.

INSTRUCTIONAL ACTIVITIES: Class time will be devoted to highlighting important material and demonstrating problem-solving techniques. It is assumed that you have read the assigned material carefully and completed any other assignments **BEFORE** class. Class discussions will proceed under the assumption that course materials have been read and studied by each student. Many topics that are primarily descriptive in nature will only be discussed in response to class member questions.

COURSE EVALUATION PROCESS: There will be four exams as well as periodic case and homework problems to be completed. The weighting scheme will be as follows:

Four exams x 15% each	60%
Homework and Quizzes	25%
Final exam	15%

The exams are designed to test your understanding of facts, concepts, and problem-solving methods, not your ability to memorize. Your ability to perform well on exams will require a large amount of preparation involving EXTENSIVE individual practice on problems and examples in the text. It is up to YOU to motivate yourself to devote the appropriate amount of time to such practice.

The exams will be graded and returned to the students for review, normally the next class period after the exam. The exams will then be taken back up to record the grades. If the exam leaves the classroom, a grade of zero will be assigned. Problems with taking any examination(s) on the scheduled date(s) must be discussed with the instructor <u>before</u> the examination. If an exam is missed, a grade of zero (0) will be assigned for the exam. Under rare and unusual circumstances, a make-up exam may be arranged. This highly unlikely occurrence will be at the totally arbitrary discretion of your professor. If more than one exam is missed, a grade of zero (0) will be retained for the other missed exam(s). Students may drop the lowest of the five exam scores. For students opting out of the final exam, the average of the first four exams will be used as a substitute for the score of the fifth exam. For students taking the final exam, the score on that exam can be used to replace the lowest score from the first four exams, including any zeros.

Grades in this course are determined by applying the following scale to a student's weighted average:

90 – 100	A
80 – 89.99	B
70 – 79.99	C
60 – 69.99	D
Below 60	F

Non-quantitative factors such as class participation, improvement on examinations, rank in class, bribery (not really–just wanted to see if you are paying attention), or other extenuating factors will be considered in the grading process.

<u>Steps to making a good grade:</u>
1. Attend class pro-actively.
2. Complete assignments independently and on time.
3. Ask questions as necessary.
4. Allocate enough time in your work schedule to accommodate Steps 1, 2, and 3.

That's it! That's all there is to it! However, some of you will not be able to follow these four simple steps. If you cannot, save your money and drop this course, NOW!

HOMEWORK: There will be a series of homework assignments that will concentrate on some of the more quantitative portions of the course. Regular homework problems should be worked out, but will not be graded (the answer keys will be provided on Blackboard). A series of mini-cases will also be assigned; these **<u>must</u>** be submitted for a grade. Due dates will be provided as needed.

ATTENDANCE: Regular class attendance is necessary to do well in this course and attendance will be taken during each class period. A seating chart will be circulated at the beginning of the second class period. Your seat at that time will become your permanent seat. This will help me learn your names more quickly and help you learn your classmates' names.

OTHER COMMENTS:
- Students are expected to take off their caps, hats, or other headgear while in class.
- No one will be allowed to leave the classroom during an exam until the exam has been completed and returned to the proctor. Also, no student will be allowed to start an exam after the first person has completed the exam and departed the room.
- I expect you to be respectful and courteous to others. Pagers, cellular telephones, and anything

else that rings, beeps, boops, or otherwise disturbs the class and/or your instructor should be disabled for the duration of the class.
- During class, you may use your computer only for class-related activities. These include activities such as taking notes on the lecture underway or following the lecture on the PowerPoint slides provided on Blackboard. If you use your computer in ways that are deemed disruptive by your classmates or your instructor, you will be asked to turn the computer off.
- Eating and drinking are prohibited in the classroom.
- We will foster a high degree of academic integrity in this course. Any unauthorized copying or exchanging of information, including plagiarism and collusion, will be dealt with appropriately.

AMERICANS WITH DISABILITIES ACT: SHSU adheres to all applicable federal, state, and local laws, regulations, and guidelines with respect to providing reasonable accommodations for students with disabilities. If you have a disability that may affect adversely your work in class, then I encourage you to register with the SHSU Counseling Center and to talk with me about how I can best help you. All disclosures of disabilities will be kept strictly confidential. NOTE: No accommodation can be made until you register with the Counseling Center.

STUDENT ABSENCES ON RELIGIOUS HOLY DAYS POLICY: Section 51.911(b) of the Texas Education Code requires that an institution excuse a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. A student whose absence is excused under this subsection may not be penalized for that absence and shall be allowed to take an examination or complete an assignment from with the student is excused within a reasonable time after the absence. University policy 861001 provides the procedures to be followed by the student and instructor. A student desiring to absent himself/herself from a scheduled class in order to observe (a) religious holy day(s) shall present to each instructor involved a written statement concerning the religious holy day(s). This request must be made in the first fifteen days of the semester or the first seven days of a summer session in which the absence(s) will occur. The instructor will complete a form notifying the student of a reasonable timeframe in which the missed assignment(s) and/or examination(s) are to be completed.

TENTATIVE COURSE OUTLINE

Date	Coverage	
1/17	Chapter 1	Overview of Finance
1/22-1/31	Chapter 2	Time Value of Money
2/5	**Exam 1 (Chapters 1-2)**	
2/7	Chapter 3	Financial Statements, Cash Flow, and Taxes
2/12-2/14	Chapter 4	Analysis of Financial Statements
2/19-2/21	Chapter 5	Financial Markets and Institutions
2/26	**Exam 2 (Chapters 3-5)**	
2/28	Chapter 6	Interest Rates
3/4-3/6	Chapter 7	Bond Valuation
3/11-3/13	**No class**	**Spring break**
3/18-3/20	Chapter 8	Risk and Rates of Return
3/25-4/1	Chapter 9	Stock Valuation
4/3	**Exam 3 (Chapters 6-9)**	
4/8-4/10	Chapter 10	Cost of Capital
4/15-4/17	Chapter 11	Basics of Capital Budgeting
4/22-4/24	Chapter 12	Cash Flow Estimation and Risk Analysis
4/29-5/1	Chapter 13/14	Capital Structure and Dividend Policy
5/6	**Exam 4 (Chapters 10-14)**	
5/8	Chapter 15-17	Miscellaneous Topics
5/12	**Comprehensive final exam**	

Chapter 1: An Overview of Financial Management
19 – 20 Questions   1-1; 1- 2; 1-3; 1-5; 1-6; 1-10; 1-12

Chapter 3: Financial Statements, Cash Flow and Taxes
90 – 91 Questions: 3-2; 3-3; 3-4; 3-5; 3-7; 3-10

Chapter 4: Analysis of Financial Statements
130 Questions: 4-1; 4-2; 4-3; 4-5; 4-6
139 Table IC4-3   Ratio Analysis (Good and Bad)

Chapter 6: Interest Rates
202 Questions: 6-1; 6-2; 6-3; 6-9

Chapter 2: Time Value of Money
55 – 56 Questions: 2-1; 2-2; 2-3; 2-4; 2-5; 2-7; 2-8
56 – 57 Problems I: 2-1; 2-2; 2-3; 2-4; 2-9; 2-10; 2-11
56 – 60 Problems II: 2-7; 2-8; 2-16; 2-18; 2-19; 2-20; 2-21; 2-31; 2-34; 2-37; 2-39

Chapter 7: Bonds and Their Valuation
238 – 239 Questions: 7-1; 7-2; 7-3; 7-4; 7-5; 7-7; 7-8;
239 Problems: 7-1; 7-3

Chapter 9: Stocks and Their Valuation
318 Questions: 9-1; 9-4; 9-5
318 Problems: 9-2; 9-3;

Chapter 10: The Cost of Capital
351 Questions: 10-2; 10-3

Chapter 11: The Basics of Capital Budgeting
380 – 381 Questions: 11-1; 11-3; 11-4; 11-6
381 – 383 Problems: 11-1; 11-4; 11-6 a.; 11-10; 11-14 a & c; 11-17 a;

Chapter 12: Cash Flow Estimation
410 Questions: 12-1; 12-2; 13-3; 12-4; 12-6; 12-14
411 – 412 Problems: 12-1; 12-2; 12-3; 12-4; 12-6; 12-7

Chapter 15: Working Capital Management
531 Questions: 15-2; 15-3; 15-4; 15-7; 15-8; 15-9
531 – 533 Problems: 15-3; 15-10

Chapter 16: Financial Planning and Forecasting
553 Questions: 16-1

Chapter 5: Financial Markets and Institutions
170 Questions: 5-1; 5-3; 5-4; 5-5; 5-6

Chapter 8: Risk And Rates Of Return
280 Self Test: ST-1: a, b, d, e, f, g, h, i, j, k, l

Chapter 17: Multinational Financial Management
590 Questions: 17-1; 17-2; 17-3; 17-5; 17-6; 17-7