

Syllabus
FIN 367: Business Finance

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Office Hrs: 10:00-12:30 MWF,
5:00-6:00 M & Th (UCTR)
or by appointment

Textbook: *Fundamentals of Financial Management* (Concise 5th edition) by Brigham and Houston

Website: Course announcements, lecture materials and grades will be available on the SHSU Blackboard information system (<http://blackboard.shsu.edu>). Please make sure that you are able to access the Blackboard system, since important class announcements will be posted there.

Description: 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.

Objectives: At the end of the course the student will have learned fundamental principles, generalizations, or theories; learned to apply course material; and gained factual knowledge regarding the theory and practice of business finance. In addition to forming the foundation for more advanced Finance classes, the tools introduced here will be applicable to general business decisions and personal investments. Some specific goals for the semester are:

- Understand the goals of the firm, and the role of financial management
- Develop ability to understand and analyze financial statements, and to extract information relevant for making financial decisions
- Understand the relationship between risk and rates of return
- Understand the concept of the “time value” of money, and be able to compute present and future values of cash flows
- Understand the characteristics of stocks and bonds, their role in the financial structure of a firm, and how they are valued
- Understand the concept of a firm’s “cost of capital,” and apply standard techniques for estimating it
- Understand the process of making financial decisions on behalf of a firm (“capital budgeting”), and be able to estimate cash flows and evaluate the attractiveness of a potential investment project

Prerequisites: ACC 232 and MTH 199 or equivalent.

Exams: There will be three in-class exams and a comprehensive final, each worth 100 points. I will drop the lowest exam grade, resulting in a maximum of 300 points possible. **One obvious consequence of this policy is that no makeup exams will be given!**

Projects: You will be required to complete several spreadsheet assignments (4-5 assignments, totaling 20% of the course grade) using Microsoft Excel. These will be assigned in conjunction with the relevant textbook chapters.

Homework: For approximately every chapter covered, I will assign some “online homework” problems to be completed and submitted via Blackboard. These are intended to give you practice in solving problems similar to those which will appear on the exams. **Please don't neglect to complete them, as they will constitute 10% of the course grade!**

Calculators: Starting after the second week of class, **all students are required to bring an appropriate calculator to each class session.** Specifically, you must obtain a calculator capable of handling standard TVM (time value of money) and cash flow calculations. Typical examples are the TI BAII Plus and the HP 10B (more expensive "pro" versions are not necessary). Many graphing scientific calculators, such as the popular TI 83 are also suitable, although they may be slightly more cumbersome to use.

NOTES: (1) While I'm willing to help with calculator issues, I am not familiar with the operation of all available calculator models. Ultimately, *you* are responsible for learning how to use *your* calculator to solve the problems on the exams... so don't throw away the manual! (2) Higher-capacity computing devices such as PDAs, smartphones, and notebook computers may not be used during exams. (3) Students may not share a calculator during exams...please remember to bring your calculator to class, and always check the batteries prior to exams!

Attendance: Regular attendance of lectures is vital to understanding, integrating, and applying the concepts discussed in class. Attendance will be checked in accordance with university policy. **No makeup exams or quizzes will be given as a result of unexcused absences.**

While in class, it's important that your attention is focused on the subject matter at hand; you may not read any unrelated material or engage in communication not relevant to the content of this course. Anyone in violation of this rule (or otherwise disrupting the class) may be asked to leave the classroom, and will be counted as absent for the day. Also: Students are to turn off all cell phones while in the classroom. **Under no circumstances are cell phones or any electronic devices (other than approved calculators) to be used or seen during times of examination.**

Grading: Based on a point system, with a total of 500 points possible:

300 points - Exams (3 @ 100 points each)

50 points - Online homework

50 points - In-class quizzes

100 points - Spreadsheet assignments

Letter grades will be assigned according to the usual 90/80/70%... scale:

450 points or more = “A”, 400-449 = “B”, 350-399 = “C”, 300-349 = “D”

Academic Honesty “The university expects all students to engage in all academic pursuits in a manner that is above reproach. Students are expected to maintain complete honesty and integrity in the academic experiences both in and out of the classroom. Any student found guilty of dishonesty in any phase of academic work will be subject to disciplinary action.”

(<http://www.shsu.edu/students/guide/dean/codeofconduct.html>)

The SHSU policy on academic honesty is very clear, and needs no further explanation. Nevertheless, it’s worth pointing out that *either* (a) submitting anything other than your own original work, or (b) allowing your own work to be submitted by another student will be considered academic misconduct. **Any student found to have been involved in academic dishonesty, as defined by SHSU Academic Policy Statement 810213, will receive a course grade of F**, and possible referral to the

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 this class, then I encourage you to register with the SHSU Counseling Center and to talk to 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 of higher education 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 which 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 will occur. The instructor will complete a form notifying the student of a reasonable timeframe in which the missed assignments and/or examinations are to be completed.