

**COURSE SYLLABUS - FIN 367**  
**Fall 2007**

*INSTRUCTOR:* Dr. Bala Maniam      *COURSE TITLE:* Business Finance (FIN 367)

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*OFFICE HOURS:* Mon:            9:30 a.m. - 12:45 p.m.  
Fri:                    11:00 a.m. - 2:30 p.m.  
Other time:        By appointment

*REQUIRED TEXT:* *Fundamentals of Financial Management*, by Eugene F. Brigham and Joel F. Houston, Concise 5<sup>th</sup> edition, Thompson/South-Western, 2007.

*OPTIONAL TEXT:* None

*PREREQUISITES:* ACC 232, Math 199 (strictly enforced), and Junior Standing

*CALCULATOR:* All students are required to bring a business calculator to class daily. The instructor will be using the Texas Instrument BA II Plus Professional calculator. Students are strongly encouraged to use the BA II Plus Professional calculator.

*COURSE 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.

*STUDENT SYLLABUS GUIDELINES:* You may find online a more detailed description of the following policies. These guidelines will also provide you with a link to the specific university policy or procedure: <http://www.shsu.edu/syllabus/>

*COURSE OBJECTIVES:* This course will provide a comprehensive overview of the fundamental principles and theoretical framework which form the foundation of corporate financial management decisions. The course will focus on the role of the financial manager in setting and supporting corporate goals and objectives. Students are expected to achieve a working knowledge of the financial function of corporations and the tools of financial management. Specifically,

1. Understand the goal(s) of a firm and how a financial manager helps achieve the goal(s) of the firm.
2. The implication of federal taxation on a firm.
3. Analysis of Financial Statements
4. Understand the financial markets and interest rates and its implication on a firm.
5. Understand Risk and Rates of Return.

6. Demonstrate an understanding of and the ability to determine the present value and future value of cash flows.
7. Demonstrate an understanding of and ability to value bonds and stocks and their appropriate yields.
8. Demonstrate an understanding of and determination of cost of capital and its component costs.
9. Demonstrate an understanding of and ability to apply the various tools of capital budgeting.
10. Understand and determine the cash flows used in the evaluation of capital projects.
11. Demonstrate an understanding of business risk, including operating leverage and financial risk and the current theory of capital structure.
12. Demonstrate an ability to apply more practical tools to the determination of appropriate capital structure
13. Demonstrate an understanding of short-term financial management in particular managing and financing current assets.
14. Understand Financial Planning and Forecasting.
15. Demonstrate an understanding of international business and financial management.

*EVALUATION CRITERIA:* The course evaluation are based on the following criteria

**Essential Objectives**

1. Gaining factual knowledge (terms, classifications, methods, trends, and others
2. Learning fundamental principles, generalizations or theories

**Important Objective**

1. Learning to apply course material

*EXAMS:* Exams are designed to test your understanding of facts, concepts, and problem-solving methods. They are NOT designed to test your ability to memorize. Your score will depend very little on your ability to memorize and very heavily on your ability to relate a few fundamental concepts and procedures to practical business situations. 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. There will be four exams. The exams will be multiple-choice type questions. No make-up exams will be given. A grade of zero (0) will be recorded for missed exams except if prior arrangement is made.

*READING:* The nature of the course necessitates that the chapters from the text and other assigned materials be read before coming to class. Discussions will be presented with the assumption that materials have been read and studied by each student. There are topics and terms which are purely descriptive and will be discussed in class only to the extent that the class members have questions.

**HOMWORK:** Although homework will be assigned on a regular basis, and it will be collected for grading. All homework assignments will be discussed in class if students have any doubt or questions. Otherwise, only their solutions will be handed out.

**QUIZZES:** On a regular basis, quiz will be given on any material from the previous class' lecture/homework or on that day's lecture. The quiz format will either be multiple choice or true false type questions.

**ATTENDANCE:** Regular class attendance is necessary in order to do well in the course since quiz will be given on a regular basis. Attendance will also be taken during each class period. Students are expected to attend all class meetings and to take part in class activities and discussions.

**GRADES:** The following make up this class grade.

Exams	400*
Homework (5 x 20)	100
Quizzes (7 x 15)	<u>105</u>
Total	605

The usual 90% or higher is an A, 80%-89.9% is a B, 70%-79.9% is a C, 60%-69.9% is a D, and below 60% is a F.

Note: \*Please note that if you missed an exam, you will get a zero except prior arrangement is made. No exception to this rule. You do not want to miss an exam because the final exam is not only comprehensive, it is also the most difficult exam.

#### **TENTATIVE SCHEDULE**

<b>Dates</b>	<b>Subject</b>
Aug. 22 – Sept. 12	An Introduction to Financial Management; Financial Statements, Cash Flow and Taxes, Analysis of Financial Statements; The Financial Markets and Interest Rates, Time Value of Money.
<b>Sept. 19</b>	<b>Exam 1 (Ch 1 - 4, 6 and notes).</b>
Sept. 26 – Oct. 24	Risk and Return; Bonds and their Valuation, Stocks and their Valuation, Cost of Capital; The Basics of Capital Budgeting*.
<b>Oct. 31</b>	<b>Exam 2 (Ch 5, 7 - 9 and notes).</b>
Nov. 7 – Nov. 14	Cash Flows Estimation and Risk Analysis; Capital Structure and Leverage, Dividend Policy and Stock Repurchases. Working Capital Management.
<b>Nov. 28</b>	<b>Exam 3 (Ch 10 - 14 and notes).</b>
Dec. 5	Financial Planning and Forecasting and Multinational Financial Management.
<b>TBA</b>	<b>Exam 4 (Previous chapters and Ch 15 - 16 and notes).</b>

Note: \*The capital budgeting chapter will be tested in Exam 3

*RELIGIOUS HOLY DAYS:* Students who are absent from class for observance of a religious holy day will be allowed to take an examination or complete an assignment scheduled for that day within one (1) week of returning to class. The student, not later than the 15th calendar day after the first day of the semester, must notify the instructor in writing of each scheduled class day that he/she will be absent for a religious holy day.

*DISABLED STUDENTS POLICY:* It is the policy of Sam Houston State University that no otherwise qualified disabled individual shall, solely by reason of his/her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any academic or Student Life program or activity. Disabled students may request academic assistance when needed from a Committee for Continuing Academic Assistance for Disabled Students by visiting the Director of the Counseling Center in the Lee Drain Building Annex or by calling extension 1720.

*ACADEMIC HONESTY:* "Students are expected to maintain complete honesty and integrity in the academic experience both in and out of the class room. Any student found guilty of dishonesty in any phase of academic work will be subjected to disciplinary action." Code of Student Conduct and Discipline, Section 5.3, as printed in Guidelines. Members of this class are subject to these guidelines.

*NO CELL OR PAGERS:* All cell phones and pages must be turned off while in class. Anyone caught text-messaging or using their cell phone or pager will be told to leave the class immediately. Also 10 points will be subtracted from the following exam for such violation.

*OTHERS:*

- a. The Wall Street Journal: Students are required to read The Wall Street Journal daily and initiate discussions in class on topics relevant to class material. It will also help in your research topic and bonus questions may be given in the exam based on the readings from WSJ.
- b. Seating: 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 helps me learn your name quickly and helps you learn your classmates' names.
- c. Exam period: During exams a student is permitted to leave the room only upon the completion of the exam and after turning in the exam to the professor.
- d. No hat policy: Students are expected to either take off their hats while in class or flip it around (so the front of the hat is now at the back). Please note failure to do so will result in points deducted from your forthcoming exams.
- e. No drinks/food policy: Students are not allowed to bring any kinds food or drinks into the class room (except bottled water) into the classroom.