Goals and Objectives: This course is an introduction to business finance and will provide a good overview of financing and investing decisions from the viewpoint of the CFO (chief financial officer), financial vice-president, or comptroller. Included are topics such as time value of money, asset valuation, risk analysis, financial statement analysis, and capital budgeting.

Course Materials:
The required textbook for this course is Fundamentals of Financial Management, Brigham and Houston © 2004 by South-Western, a division of Thompson Learning™.

Strongly recommended: The Texas Instruments BAII Plus financial calculator. A financial calculator is not required for this course—the time value of money formulas will be provided on all tests, when needed. However, problem solving is much easier with a financial calculator.

If you have another financial calculator that you are comfortable with, you may use it, however, I will only discuss the use of the TI BAII Plus for in-class examples.

I place chapter outlines on my web site. You should bring the relevant outline(s) to class. It will help you follow the class discussion and examples. I will make every attempt to have the outline posted on my website 24 hours prior to class discussion.

Prerequisites:
Accounting 201 and 202 should have been passed prior to enrolling in this course. Also, Economics 202, Economics 203, and Business 230 with a minimum grade of C.

Classroom:
Lectures are designed to clarify and supplement text material. Unless otherwise instructed, you will be held responsible for all reading assignments (even if they are not covered in the lecture) plus all supplementary material.

This is a problem-oriented course. I will use many numerical examples in class to illustrate the concepts. You are expected to read the relevant material and attempt the end-of-chapter problems before each class. Additional problems as well as concept questions can be found on the text’s self-study CD-ROM. It is very important that you work the relevant problems on a timely basis. Do not put off solving problems until just before the examinations --- it will be too late for you to truly understand the material.
Grading:
Grades will be based on four mid-semester exams, homework/quiz scores, and a cumulative final exam. The grade will calculated as follows:

- **Exams:** 90% (the best 4-out-of-5 exam grades will count 22.5% each)
- **Homework/quizzes:** 10% (the best 10-out-of-12 homework/quiz scores)

Further, course grades are based on a modified ten-point scale, i.e., an A is assigned for a course average of 90-100, a B is assigned for a course average of 80-89, a C is assigned for a course average of 70-79, a D is assigned for a course average of 60-69, and a F is assigned for a course average of below 60. Any reduction or modification in the minimum average to receive a particular grade will be made consistently across all students (e.g., a student with an 89.3 will not be awarded an A grade and one with an 89.6 a B). Determination of the final breakpoint (if lower than 90 for an A) will be made on the basis of difficulty of tests, distribution of final averages, and natural gaps in the distribution of final averages. The same is also true for B, C and D grades.

All exams will be closed book/closed notes and will be in a multiple choice and problem solving format. You will be provided with selected formulae during each exam. The list of formulae to be provided will be available on my web-site before each exam.

**There will be no make-up exams.** It is your responsibility to attend all exams at the scheduled time. The course average is calculated using the best 4-out-of-5 exam scores. If an exam is missed—whether due to an emergency, tragedy, or simply because you are unprepared—then the remaining four test scores will be used to compute your exam average. **There are no exceptions to this policy.**

Using the best 4-out-of-5 test scores is equivalent to having a drop grade. You get ONLY ONE drop grade. Please exercise this option wisely.

I will pick up homework or administer a “quiz” 12 times during the semester. A page on my website lists the homework assignment for each class day. The best 10-out-of-12 homework and quiz scores will count 10% of your total class score. **There are no make-ups. You must be present at the time homework is collected or the quiz is administered. You will not be allowed to turn in your homework or take a quiz late. If homework is collected at the beginning of class and you arrive one-minute later, then you will receive a zero for that homework assignment.**

**Notes:**
You are encouraged to seek answers to your questions as they arise. The material discussed in class gets progressively more complex. Consequently, you will soon feel lost if you do not get clarification quickly. Please do not wait until the end of the semester or the day before a test to ask for help—there’s not much that can be done at that time.

**Due to privacy issues, I do not e-mail grades and I do not give out grades over the telephone.**

It is the responsibility of any student with a disability who requests a reasonable accommodation to contact the Office of Student Disability Services (915-7128). SDC will then contact the instructor through the student by means of an Instructor Notification of Classroom Accommodations form. Please complete the notification procedure within the first two weeks of the course.
**Cell phone usage**  
Please turn off your cell phone when in the classroom.  
All cell phones must be turned off and stored during exams as you will not be allowed to use the calculator on your cell phone during exams.  
Please see me prior to class if there is an impending emergency that waiting until the end of class will materially alter.

Any student caught cheating will be assigned an F in the course. In most cases a statement will also be made to that effect in the student’s record.

**School of Business Administration Statement of Academic Integrity**  
The School of Business Administration upholds honor and academic integrity in all of its teaching, research, and service activities. All business faculty, staff, and students are charged with the responsibility to behave with personal and professional integrity and to refrain from dishonorable conduct.

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**2006 Spring Class Schedule *****

The following indicates topics to be covered in class, along with the relevant chapters in the text as well as recommended end-of-chapter problems.

**Week 1**  
January 18 and 20  
Introduction  
Chapter 1: *An Overview of Financial Management*  
Chapter 2: *Financial Statements, Cash Flow and Taxes*  
  Suggested Problems:  1-6, 8-11, 13, 14, 17

**Week 2**  
January 23, 25, and 27  
Chapter 3: *Analysis of Financial Statements*  
  Suggested Problems:  1-4, 6, 8-11, 14-22

**Week 3**  
January 30, February 1, and 3  
Chapter 17: *Financial Planning and Forecasting*  
  Suggested Problems:  1-7, 9-13, 16, 17

**Week 4**  
February 6, 8, and 10  
February 8 and 10  **Test 1 (Chapters 1, 2, 3 and 17)**

**Week 5**  
February 13, 15, and 17  
Chapter 4: *The Financial Environment*  
  Suggested Problems:  1, 3-5, 8, 10-12  
Chapter 5: *Risk and Rates of Return*  
  Suggested Problems:  1-7, 10, 12, 14,

**Week 6**  
February 20, 22, and 24  
Chapter 6: *Time Value of Money*  
  Suggested Problems:  1-8, 11, 12, 14, 17, 19, 25, 26, 29, 30, 31, 36, 39, 43, 45
Week 7  February 27, March 1, and 3
Chapter 7: Bonds and Their Valuation
   Suggested Problems: 1-7, 9, 13, 19

Week 8  February 27, March 1, and 3
March 1 and 3 Test 2 (Chapters 4, 5, 6 and 7)

Week 9  March 13, 15, and 17
Spring break—no class

Week 10  March 20, 22, and 24
Chapter 8: Stock Valuation
   Suggested Problems: 1-5, 9-12, 14, 17, 18, 19, 20, 24

Week 11  March 27, 29, and 31
Chapter 9: The Cost of Capital
   Suggested Problems: 1-12, 16, 17, 19, 20

Week 12  April 3, 5, and 7
November 17 Test 3 (Chapters 8 and 9)

Week 13  April 10 and 12
Chapter 10: The Basics of Capital Budgeting
   Suggested Problems: 1-6, 8, 10, 11, 13, 16
   April 14—no class

Week 14  April 17, 19, and 21
Chapter 11: Cash Flow Estimation and Risk Analysis
   Suggested Problems: 1-3, 5(a), 7, 8

Week 15  April 24, 26, and 28
Chapter 12: Other Topics in Capital Budgeting
   Suggested Problems: 1-3, 5, 6, 7

Week 16  May 1, 3, and 5
May 1 and 3 Test 4 (Chapters 10, 11 and 12)

May 10  Comprehensive final exam (8:00 – 11:00 am)

Important dates:
February 20—deadline for course withdrawals
March 13 -17—Spring Break
May 5—Last day of classes

***I reserve the right to alter the class schedule as circumstances dictate. Changes to the syllabus will be announced in class. Students not attending class are responsible for obtaining this information.**