9-2002

BADM 322.03: Business Finance

Timothy A. Manuel

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Professor: Dr. Timothy A. Manuel
Course Title: Business Finance

Class:  
Section 1: MWF 9:10-10:00  GBB 123  
Section 2: MWF 10:10-11:00  GBB 123  
Section 3: MWF 11:10-12:00  GBB 123

Office: GBB 305
Office Hours: MW 12:00-1:00 and 2:00-3:00 No appointment is necessary during office hours. Times available by appointment: MW 1:00-2:00 and 3:00-4:00, TTh 1:30-3:30. Please schedule appointments outside of office hours at least one day in advance.

Phone: x2511, Fax: x2086, Email: tim.manuel@business.umt.edu

Required Materials:
- Course notes are available electronically on the Sentinel server or on the Internet at the School of Business webpage at www.business.umt.edu. To access the files via the Internet, click on faculty and then my name and the link "files on Sentinel." To directly access the files on Sentinel without using the Internet, go to the second floor labs in the Gallagher building and find a computer that has the Sentinel icon. Connect to Sentinel and find the folder titled "manuel." Under manuel you will find the folder BADM 322. In this folder you will find the notes files in Microsoft Word format. Copy the files to a disk and print them somewhere where the print cost is low. Once you have the files you may change the fonts, etc. to improve the look or to save pages but make sure the layout is still readable. You will need the course outlines to keep up with lecture notes; without them you will quickly fall behind.
- A financial calculator is required. I require you to learn the equations and to know how to use a financial calculator. I occasionally lecture on how to use the Hewlett-Packard business calculators. The HP 10B is an excellent choice. The HP 12B is fine also. The HP 12C can do almost all the calculations we will cover, but it is more difficult to use, and I am not very familiar with it. I may or may not be able to help you find solutions to problems if you have a TI or other type of calculator. Make sure your calculator has a y^x key and a LN key.

Course Objective:
The student is expected to learn the terminology, tools and fundamental principles underlying financial decision making. Major emphasis will be placed on understanding the basic concepts of finance and formulating solutions to common problems encountered in the finance environment. The course will stress corporate applications rather than investments or financial institutions. Please read the appropriate chapter(s) and obtain the appropriate set of notes from Sentinel prior to the lecture.

Prerequisites:
Junior, senior or graduate standing is required. In addition, all students should have successfully completed all lower division common body of knowledge requirements before taking this class, including Acct 201 and Acct 202, Econ 111 and Econ 112 or the equivalent. I will require you to show me a transcript or grade report by October 14 demonstrating that you have completed these requirements. If you have not completed the requirements you must drop the class or you will receive a failing grade for the class. This may result in forfeiture of all tuition and fees paid.

Cheating:
Anyone who gives or receives help on a test or other graded assignment will receive a grade of zero for that test or assignment. There are no exceptions to this rule.

Grading:
There will be up to four 100 point tests, for a total of 400 possible points. Final grades will be based on the following absolute scale:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>360 or more points (90%)</td>
</tr>
<tr>
<td>B</td>
<td>320 to 359 points (80%)</td>
</tr>
<tr>
<td>C</td>
<td>280 to 319 points (70%)</td>
</tr>
<tr>
<td>D</td>
<td>240 to 279 points (60%)</td>
</tr>
<tr>
<td>F</td>
<td>239 or fewer points (&lt;60%)</td>
</tr>
</tbody>
</table>

You may use a one page (both sides) 8 1/2 x 11 sheet of paper and a calculator (no laptops) on all tests, but you may not assist or receive assistance from other students. All tests are true/false and multiple choice. All tests, including the final, must be taken with your enrolled section unless prior arrangements have been made with me.

Makeup Tests:
Makeup tests will generally not be given, but I am flexible in assisting you to take the exam in a timely fashion if you work with me and arrange to take the test before it is handed back. If you must miss a scheduled exam you must notify me in writing prior to the missed exam, otherwise you will receive a grade of zero for that exam. Work and transportation problems will not normally result in an excused absence so plan ahead. In the rare circumstances where a makeup is given, it may be significantly different and is often harder than the regular tests because there are only so many obvious questions to ask. A makeup may not be the same form of test or may be supplemented with an oral exam at my option.
BADM 322 Fall 2002 Tentative Course Outline

Tests & assignment dates are subject to changes announced in class. You are responsible for coming to class and finding out about any changes in test/assignment dates. You must attend your section for all tests. Practice homework may be assigned to help you learn the material. Homework is not graded and will not be turned in.

| Sep     | 4       | Syllabus, Introduction
|---------|---------|------------------------
|         | 6       | An Organization's Goals and Forms and Basic Performance Measurement Tools
|         | 9       | Ch. 1 & 2 Introduction and Financial Statements, Taxes and Cash Flow
|         | 11      | Ch. 1 & 2 cont.
|         | 13      | Ch. 1 & 2 cont.
|         | 16      | Ch. 3 Working with Financial Statements
|         | 18      | Ch. 3 cont.
|         | 20      | Ch. 3 cont.
|         | 23      | Short and Long Term Financial Planning
|         | 25      | Ch. 16 cont.
|         | 27      | Test 1 over Chapters 1, 2 & 3
|         | 30      | Ch. 16 cont.
| Oct     | 2       | Ch. 16 cont.
|         | 4       | Ch. 16 cont., Begin Ch 15 Raising Capital
|         | 7       | Ch. 15 cont.
|         | 9       | Ch. 15 cont.
|         | 11      | Ch. 15 cont.
|         | 14      | Ch. 15 cont. Ch. 4 Intro to TVM; last day to clear prerequisites
|         | 16      | Ch. 4 cont.
|         | 18      | Ch. 4 cont.
|         | 21      | Ch. 4 cont. Begin Ch. 5 Discounted Cash Flow Valuation
|         | 23      | Test 2 over Chapters 16, 15 and 4
|         | 25      | Ch. 5 cont.
|         | 28      | Ch. 5 cont.
|         | 30      | Ch. 5 cont.
| Nov     | 1       | Ch. 5 cont.
|         | 4       | Ch. 6 Interest Rates & Bonds
|         | 6       | Ch. 6 cont.
|         | 8       | Ch. 6 cont.
|         | 11      | Veteran's Day HOLIDAY
|         | 13      | Ch. 7 Equity Markets & Stocks
|         | 15      | Ch. 7 cont.
|         | 18      | Ch. 7 cont.
|         | 20      | Ch. 10 & 11 Risk: Historical Experience and Required Returns
|         | 22      | Test 3 over Chapters 5, 6, and 7
|         | 25      | Ch. 10 & 11 cont.
|         | 27      | Thanksgiving Holiday
|         | 29      | Thanksgiving Holiday
| Dec     | 2       | Ch. 10 & 11 cont.
|         | 4       | Ch. 10 & 11 cont. Begin Ch. 8 NPV & Other Capital Budgeting Criteria
|         | 6       | Ch. 8 cont.
|         | 9       | Ch. 8 cont.
|         | 11      | Ch. 8 continued, Ch. 9 Making Capital Investment Decisions (time permitting)
|         | 13      | Ch. 9 cont.

I will probably have to miss one or two classes in November to attend a NIBEN meeting. This may require rearranging test dates or material covered.

Finals Week: Test 4 over remaining material since Test 3 at the following time & place:

<table>
<thead>
<tr>
<th>Class Time &amp; Section</th>
<th>Exam Date</th>
<th>Exam Time</th>
<th>Exam Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1: (9:10-10:00)</td>
<td>Friday, December 20</td>
<td>8:00-10:00 AM</td>
<td>GBB 123</td>
</tr>
<tr>
<td>Section 2: (10:10-11:00)</td>
<td>Monday, December 16</td>
<td>8:00-10:00 AM</td>
<td>GBB 123</td>
</tr>
<tr>
<td>Section 3: (11:10-12:00)</td>
<td>Tuesday, December 17</td>
<td>8:00-10:00 AM</td>
<td>GBB 123</td>
</tr>
</tbody>
</table>

You must attend your scheduled section for all tests.