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Spring 1-2016

BFIN 322.03: Business Finance

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Semester: Spring 2016
Section: 03 TR 2:10 – 3:30 GBB L11

Professor: Keith Jakob, Ph.D.
Email: keith.jakob@business.umt.edu

Office: GBB 318
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Office Hrs: TR 12:40 – 2:00, other times available by appointment.

Teaching Assistant: TBA
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Course Learning Goals:

This course is a junior level introductory course to business finance. The course provides a fundamental introduction to the mathematics of finance and the determinants of firm value. Students shall be able to:

1. Demonstrate how working capital management, capital budgeting and capital structure relate to creating value for shareholders.
2. Apply time value of money techniques to valuing loans, bonds, stocks and capital investments.
3. Understand how risk and reward are related to value.

While the course emphasizes corporate financial management, the concepts of valuation developed can be extended to investment management and other related areas of finance. A strong understanding of these fundamentals is required for future finance courses.

Course Pre-requisites:

Students registered for this course must be Juniors or higher in standing and have completed the lower core requirements for the school of business. If you have not taken the prerequisites courses then please see me.

Text Books:

Custom Version of S.A. Ross, R.W. Westerfield, and B.D. Jordan, Essentials of Corporate Finance, 8th Edition, Irwin McGraw-Hill and Connect software. (Required)

Course Material links (Moodle and Connect):

Course materials can be found on Moodle and McGraw-Hill's Connect web sites.
<http://connect.mheducation.com/class/k-jakob-finance-322-section-3-spring-2016>

Financial Press: Wall Street Journal (Recommended but not required)

Financial calculator (required):

In this class students learn to use the **Texas Instruments BAI PLUS** financial calculator. Becoming familiar with this calculator will help you to solve more real world problems. This is the calculator used in the finance department and is the only one that can be used in the exams.

School of Business Administration/Mission Statement

The University of Montana's School of Business Administration enhances lives and benefits society by providing world-class business education in a supportive, collegial environment.

We accomplish this mission by acting on our shared core values of creating significant experiences, building relationships, teaching and researching relevant topics, behaving ethically, and inspiring individuals to thrive.

Shared Core Values

Create Significant Experiences

We are dynamic, innovative teachers.

Build Relationships

We engage and we care.

Be Relevant

We do what matters and do it well.

Act Ethically and With Integrity

We do the right things.

Inspire Individuals to Thrive

We encourage and stimulate personal and professional growth.

Exams:

Exams (4) Four exams are scheduled. There is no comprehensive final. However material covered early in the semester will appear in later exams. The exams are 80% of your final grade.

Exam format will consist of multiple choice problems. Exam questions will be closely related to the assigned problems, those on Connect and problems done in class.

Online Quizzes:

Each chapter has an assigned online quiz. Students must have a registration student code and enroll at:

<http://connect.mheducation.com/class/k-jakob-finance-322-section-3-spring-2016>

Each quiz is worth 10 points. The 12 quizzes represent 20% of your final grade. The due dates for these assignments can be seen directly on Connect. Each quiz may be taken an unlimited number of times prior to the cut-off date. The highest score will be the one recorded for grade purposes. Assignments can also be attempted after the due date for study purposes.

Assigned Problems

These are questions and problems from the text that I think you should be able to complete for test purposes. These problems will not be collected, but solutions will be made available on my course web page. The solutions to these problems are provided to you so that you can check your work and prepare for the exams. Finance involves numbers; therefore I ***strongly recommend*** completing the assigned problems and the Chapter Review and Self-Test Problems found at the end of each chapter. Regular attendance and completing the assigned problems will provide a good foundation for successfully completing the course.

The text book also has the answers, but not the solutions, for all odd numbered questions. You can never do too many problems in this course! If you would like to go over your answers, please come by during office hours to review your work.

Attendance:

I cannot overstate the importance of regular attendance. If you feel that you will not be able to attend class regularly, then this is not the course for you. Even though I post the notes on the web, you will still need to be in class to learn the material. I expect you to be in your seat and ready to go when the class starts. Arriving late is a discourtesy to your fellow students and disruptive.

Grade Scale:

I will use "+" and "-" along with the standard letter grades to report your final grade. The grading scale is presented below and is after any curve.

$A \geq 93$	$77 \leq C+ < 80$
$90 \leq A- < 93$	$73 \leq C < 77$
$87 \leq B+ < 90$	$70 \leq C- < 73$
$83 \leq B < 87$	$60 \leq D < 70$
$80 \leq B- < 83$	$F < 60$

Major Field Examination:

Starting in the 2007-2008 catalog, a graduation requirement for business students (page 253) is "Pass the major field examination." This examination covers material from ACCT 201, ACCT 202, IS 257, IS 270, FIN 322, IS 341, MGMT 340, and MKTG 360.

Student Code of Conduct:

All students are expected to be familiar with University of Montana's Code of Conduct. You can find a copy of it at: http://life.umt.edu/vpsa/student_conduct.php

Professional Courtesy:

While we often stress the importance of multi-tasking in the work place, in the class room it's best to have your full attention focused on the task at hand. Cell phones are to be turned off when entering the class room. No texting during class. If I see your cell phone out, I will ask you to leave class and you will be marked absent for that day.

If you leave the class, please do not come back during the class and finally arrive on time and be prepared for class. Arriving late or departing early is disrespectful to me and your classmates.

Email:

Email from non-UM accounts may be flagged as spam and deleted without further response. Due to security issues, confidential information (including grades and course performance) will not be discussed via email.

Students with disabilities:

Students with disabilities may request reasonable modifications by contacting me. The University of Montana assures equal access to instruction through collaboration between students with disabilities, instructors, and Disability Services for Students (DSS).

"Reasonable" means the University permits no fundamental alterations of academic standards or retroactive modifications. For more information, please consult <http://www.umt.edu/disability>.

The following course schedule is an outline that we will follow throughout the semester. It is subject to change and you should not assume that it is written in stone!

BFIN 322 Business Finance
Course Schedule - Spring 2016

Week	Date	Day	Topic	R/W/J 8th Edition	Assignment
1	26-Jan-16 28-Jan-16	Tuesday Thursday	Introduction to Course - Outline Financial Statements, Taxes and Cash Flows	Chapter 1 Chapter 2	Critical Thinking and Concept Review: Questions and Problems 1,2,6,7,8,9,10,11,12,13,15,17,19, and 20
2	2-Feb-16 4-Feb-16	Tuesday Thursday	Working with Financial Statements	Chapter 2 Chapter 3	Questions and Problems 1,2,4,5,7,8,10,11,12,18 thru 25
3	9-Feb-16 11-Feb-16	Tuesday Thursday	Introduction to Valuation	Chapter 3 Chapter 4	Questions and Problems 1 thru 15
4	16-Feb-16 18-Feb-16	Tuesday Thursday	Review/Discounted Cash Flow Valuation	Chapter 4 Chapter 5	Questions and Problems 1 thru 27 odd, along with 10 and 24
5	23-Feb-16 25-Feb-16	Tuesday Thursday	Exam 1 Chapters 1-4	Chapter 5	
6	1-Mar-16 3-Mar-16	Tuesday Thursday	Interest Rates and Bond Valuation	Chapter 6 Chapter 6	Questions and Problems 1,3,4,5,6,10,11,13,14, and 18
7	8-Mar-16 10-Mar-16	Tuesday Thursday	Equity Markets and Stock Valuation	Chapter 7 Chapter 7	Questions and Problems 1 thru 12
8	15-Mar-16 17-Mar-16	Tuesday Thursday	Review Exam 2 Chapters 5-7		
9	22-Mar-16 24-Mar-16	Tuesday Thursday	Net Present Value Valuation and Decisions	Chapter 8 Chapter 8	Questions and Problems 3,5,7,9,10,11,12,13,14,17,18, and 19
10	29-Mar-16 31-Mar-16	Tuesday Thursday	Making Capital Investment Decisions	Chapter 9 Chapter 9	Questions and Problems 2,3,4,5,8,9,10,11,14,16,17,18,19, and 20
11	5-Apr-16 7-Apr-16	Tuesday Thursday	Spring Break Spring Break		
12	12-Apr-16 14-Apr-16	Tuesday Thursday	Some Lessons from Capital Market History	Chapter 10 Chapter 10	Questions and Problems 4,5,7,9,10,11,15, 18 and 21
13	19-Apr-16 21-Apr-16	Tuesday Thursday	Exam 3 Chapters 8-10 Risk and Return	Chapter 11	Questions and Problems 1-6,10,13,14,15,16,17,19,20,24, 25 and 26
14	26-Apr-16 28-Apr-16	Tuesday Thursday	Cost of Capital	Chapter 11 Chapter 12	Questions and Problems 1 thru 25 odd and 12
15	3-May-16 5-May-16	Tuesday Thursday	Review	Chapter 12	
16	11-May-15	Finals Week	TBD	Chapters 11-12	