Fall 9-1-2018

BFIN 322.01: Business Finance

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University of Montana BFIN 322  
Syllabus and Course Outline  
Fall Semester 2018

Professor: Dr. Timothy A. Manuel
Course Title: Business Finance
Class: Section 1: MW 2:00-3:20, GBB L09, CRN: 71010; Section 2: MW 3:30-4:50, GBB L09, CRN: 71011
Office: GBB 329
Office Hours: MW 10:10-10:50, 1:00-1:30 or by appointment. Times available by appointment: 11:00-2:30 TTH. Come by during office hours at any time, but outside of office hours please try to schedule appointments at least one day in advance.
Contact Methods: Phone: x2511, Fax: x6925, Email: tim.manuel@business.umt.edu

Required Materials:
- Ross, Stephen A., Randolph W. Westerfield and Bradford D. Jordan. Custom book version of Essentials of Corporate Finance, 9th edition or latest, with Connect Homework Manager System, Richard D. Irwin Publishing. Use of the e-book is included with Red Shelf and is included with your tuition fee. The access code to the e-book and the Connect Homework is found on Moodle under the Syllabus tab. Obtain your access code then go to the Connect site provided on Moodle and below to get access to the e-book and the Connect Homework. An opt out is available for a few days if you already have the book/Connect access.
- Abbreviated Course notes are available in a Course Pack from the bookstore (required).
- You must have access to the Internet and to the Connect Homework Manager that comes with the text.
- 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 and TI business calculators. The TI calculator is the preferred choice. I may or may not be able to help you find solutions to problems if you have another type of calculator. Make sure your calculator has a y^x key and a LN key.

Course Learning Goals:
This course is a junior level introductory course to the field of business finance. The course provides a fundamental introduction to the mathematics of finance and the determinants of firm value. The course will stress corporate applications rather than investments or financial institutions. 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. Please read the appropriate chapter(s) and obtain the appropriate set of notes 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. 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 at a minimum receive a grade of zero for that test or assignment. There are no exceptions to this rule. Each student is expected to do his/her own work. All students must practice academic honesty. Academic misconduct is subject to an academic penalty by the course instructor and/or a disciplinary sanction by the University. All students need to be familiar with and adhere to the Student Conduct Code. The Code is available for review online at http://www.umt.edu/vpesa/documents/Student%20Conduct%20Code%20PDF-%20FINAL%208-27-13.pdf. The SoBA Code of Professional Conduct is now available online at http://www.business.umt.edu/Soba/SoBAEthics/CodeofProfessionalConduct.aspx.
Grading:
There will be three equally weighted 100 point tests worth 85% of your grade, plus up to 100 points of web based graded homework worth 15% of your grade. Students must have access to the Internet based McGraw-Hill Connect Homework Manager (access comes with the purchase of a new textbook). We will cover at least twelve chapters of the text. Homework for each chapter will count as 10 points. Your two lowest homework scores will be dropped, so you may gain up to 100 points on homework.

Your final course grade will be determined as (85% * Test average) + (15%*Connect Homework score).
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(s):

<table>
<thead>
<tr>
<th>A ≥ 93</th>
<th>77 ≤ C+ &lt; 80</th>
</tr>
</thead>
<tbody>
<tr>
<td>90 ≤ A- &lt; 93</td>
<td>73 ≤ C &lt; 77</td>
</tr>
<tr>
<td>87 ≤ B+ &lt; 90</td>
<td>70 ≤ C- &lt; 73</td>
</tr>
<tr>
<td>83 ≤ B &lt; 87</td>
<td>60 ≤ D &lt; 70</td>
</tr>
<tr>
<td>80 ≤ B- &lt; 83</td>
<td>F &lt; 60</td>
</tr>
</tbody>
</table>

Cheat Sheet: You may use a one page (both sides) 8½ x 11 cheat sheet and a calculator (no laptops, cell phones or handhelds) on all tests, but you may not assist or receive assistance from other students. You may not use a cell phone during the test. 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 otherwise you will receive a grade of zero for that test. All grades are nonnegotiable.

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 you are given notes, you will still need to be in class to learn the material. I will take attendance at random intervals throughout the semester. The attendance record will determine the curve you receive for the next test. If you miss more than 2 days of material for an individual test the curve (if any) on your test will be reduced or eliminated. As an example, if you are present on 50% of the days when attendance is taken, you may receive only 50% of the curve. Your attendance and participation are essential to an understanding of the course material. Students who do not attend my class on a regular basis generally earn much lower grades. Work, transportation and vacation will not normally result in an excused absence. Documented emergency situations will normally be excused, but they must be cleared as soon as possible. Don’t use up your absences on frivolous reasons! I may count arriving late, leaving class early without permission, not having the assigned notes with you, or otherwise being unprepared or disruptive as an unexcused absence.

Finally, if you miss more than 5 days when I take attendance, your final grade in the course will be an “F”.

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.

Students with Disabilities:
Students with disabilities may request reasonable modifications. 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.
**BFIN 322 Fall 2018 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. Text homework is not graded and will not be turned in.

<table>
<thead>
<tr>
<th>Day</th>
<th>Fall 2018 BFIN 322 Tentative Course Outline (Dates and assignments may be changed as announced in class and via email)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Sep 29 W Ch. 1 &amp; 2 cont.</td>
</tr>
<tr>
<td>3</td>
<td>Sep 3 M No Class Labor Day</td>
</tr>
<tr>
<td>4</td>
<td>Sep 5 W Ch. 1 &amp; 2 cont.</td>
</tr>
<tr>
<td>5</td>
<td>Sep 10 M Ch. 3 Working with Financial Statements</td>
</tr>
<tr>
<td>6</td>
<td>Sep 12 W Ch. 3 cont.</td>
</tr>
<tr>
<td>7</td>
<td>Sep 17 M Ch. 3 cont.</td>
</tr>
<tr>
<td>8</td>
<td>Sep 19 W Ch. 3 cont. Ch. 16 Short Term Financial Planning</td>
</tr>
<tr>
<td>9</td>
<td>Sep 24 M Ch. 16 Short Term Financing</td>
</tr>
<tr>
<td>10</td>
<td>Sep 26 W Ch. 16 cont. &amp; Ch 15 Raising Capital</td>
</tr>
<tr>
<td>11</td>
<td>Oct 1 M Test 1 over Chapters 1, 2, 3 and 16 (Tentative Date)</td>
</tr>
<tr>
<td>12</td>
<td>Oct 3 W Ch. 15 cont.</td>
</tr>
<tr>
<td>13</td>
<td>Oct 8 M Ch. 15 cont.</td>
</tr>
<tr>
<td>14</td>
<td>Oct 10 W Ch. 15 cont. if needed &amp; Ch. 4 Introduction to Time Value of Money (TVM)</td>
</tr>
<tr>
<td>15</td>
<td>Oct 15 M Ch. 4 cont. &amp; Ch. 5 Discounted Cash Flow Valuation</td>
</tr>
<tr>
<td>16</td>
<td>Oct 17 W Ch. 5 cont.</td>
</tr>
<tr>
<td>17</td>
<td>Oct 22 M Ch. 5 cont.</td>
</tr>
<tr>
<td>18</td>
<td>Oct 24 W Ch. 5 cont.</td>
</tr>
<tr>
<td>19</td>
<td>Oct 29 M Ch. 5 cont. if needed and Ch. 6 Interest Rates</td>
</tr>
<tr>
<td>20</td>
<td>Nov 31 W Ch. 6 cont.</td>
</tr>
<tr>
<td>21</td>
<td>Nov 5 M Ch. 6 cont. and Ch. 7 Equity Markets &amp; Stocks</td>
</tr>
<tr>
<td>22</td>
<td>Nov 7 W Test 2 over Chapters 15, 4, 5 and 6 (Tentative Date)</td>
</tr>
<tr>
<td>23</td>
<td>Nov 12 M Ch. 7 cont.</td>
</tr>
<tr>
<td>24</td>
<td>Nov 14 W No Class, Thanksgiving break</td>
</tr>
<tr>
<td>25</td>
<td>Nov 19 M Ch. 7 cont. and Ch. 8 NPV &amp; Other Capital Budgeting Criteria</td>
</tr>
<tr>
<td>26</td>
<td>Nov 21 W Ch. 8 cont.</td>
</tr>
<tr>
<td>27</td>
<td>Nov 26 M Ch. 8 cont. Ch. 10 &amp; 11 Risk: Historical Experience &amp; Required Returns</td>
</tr>
<tr>
<td>28</td>
<td>Nov 28 W Ch. 10 &amp; 11 cont.</td>
</tr>
<tr>
<td>29</td>
<td>Dec 3 M Ch. 10 &amp; 11 cont.</td>
</tr>
<tr>
<td>30</td>
<td>Dec 5 W Ch. 10 &amp; 11 cont. if needed</td>
</tr>
</tbody>
</table>

Test 3 over Chapters 7, 8, 10 & 11 during Finals week (see below)

Finals Week: Test 3 over remaining material since Test 2 at the following time & place:

<table>
<thead>
<tr>
<th>Class Section</th>
<th>Exam Date</th>
<th>Exam Time</th>
<th>Exam Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1</td>
<td>Tuesday December 11, 2018</td>
<td>1:10-3:10 PM</td>
<td>GBB L09</td>
</tr>
<tr>
<td>Section 2</td>
<td>Monday December 10, 2018</td>
<td>1:10-3:10 PM</td>
<td>GBB L09</td>
</tr>
</tbody>
</table>

Unless you have permission from me you must attend your scheduled section for all tests or you will receive a grade of zero for that test.
Using the McGraw-Hill CONNECT Homework system for Finance 322

Instructor: Tim Manuel
School: University of Montana
Book/Author: Ross, Westerfield, Jordan / Essentials of Corporate Finance, Custom Book, 8th Ed
Class Name/Section #’s: BFIN 322, Sections 1 and 2 only

Please register for the appropriate section

Section 1: 2:00-3:20 MW (CRN 71010)
BFIN 322 Section 1 2:00-3:20 MW Fall 2018
http://connect.mheducation.com/class/t-manuel-section-1-200-320-mw-1
and click the “register now” button. This is a unique address for this section of this class.

Section 2: 3:30-4:50 (CRN 71011)
BFIN 322 Section 2 3:30-4:50 MW Fall 2018
and click the “register now” button. This is a unique address for this section of this class.


You must register for the proper section if there are multiple sections of the course.

The first Connect assignment is due September 5, 2018 by 11:00 PM. Please make sure to submit it by that time.

If you purchased a new text you may go to your section’s website (see above for your section number if applicable) and register to use the Connect Homework system. You will need your student code that comes with your book.

If you purchased a used text or do not have a text you can purchase access to the system online at the website for your section.

When answering homework questions pay close attention to the question’s instructions. Some questions require different levels of accuracy and rounding. Your calculator should be set to at least four decimal places. Do not round intermediate calculations as this will result in errors on certain questions. I can show you how to change the decimal places on your calculator if necessary.
Learning Goal 1: SoBA graduates will possess fundamental business knowledge.

Objectives:
- Students will demonstrate fundamental business knowledge on a nationally normed test.
- In a business plan or a business simulation game, students will integrate business knowledge.

Learning Goal 2: SoBA graduates will be effective communicators.

Objectives:
- Students will demonstrate the ability to write effectively.
- Students will use appropriate tools to identify the root cause of a business problem.
- Students will effectively analyze alternatives using quantitative tools.
- Students will use appropriate tools to select a solution from competing alternatives.

Learning Goal 3: SoBA graduates will possess problem solving skills.

Objectives:
- Students will demonstrate problem solving skills in internships.

Learning Goal 4: SoBA graduates will have an ethical awareness.

Objectives:
- Students will demonstrate moral reasoning on a nationally normed test.
- Students will recognize potential ethical dilemmas in a business situation.
- Students will act with integrity in all they do.
- Students will demonstrate problem solving skills in internships.

Learning Goal 5: SoBA graduates will have an ethical awareness.

Objectives:
- Students will demonstrate moral reasoning on a nationally normed test.
- Students will recognize potential ethical dilemmas in a business situation.
- Students will act with integrity in all they do.
- Students will demonstrate problem solving skills in internships.

Learning Goal 6: SoBA graduates will be proficient users of technological skills.

Objectives:
- Students will be effective communicators.
- Students will have an ethical awareness.
- Students will demonstrate professional development of high-level professionalism.
- Students will demonstrate sustainability, responsiveness and flexibility for an ever changing world.