

WAYNE STATE UNIVERSITY
School of Business Administration
Department of Finance

FIN 3290: Business Finance
CRN: 23879, Section: 003, Winter 2015

Instructor: Norkeith Smith, MA

Office: 328.10 Prentis

Class Meetings: Monday 6:00 p.m. - 8:45 p.m., 017 Prentis Building

Office Hours: Monday & Thursday 3:30 p.m. – 5:00 p.m. (Office hours will not be held on examination dates) or by appointment.

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Email: nesmith@wayne.edu (best way to contact me)

Prerequisite: ECO 2010, ACC 3010, and BA 2300 or former ISM 2300, or former ISM 3300 or equivalent.

Description:

This course will introduce the fundamental concepts and theories of corporate finance and provide a conceptual framework of financial management. We will use the important concept of time value of money to value stocks, bonds, and other financial instruments. We will consider theories and tools to address capital budgeting decisions and estimate the cost of capital. In other words, this course covers the principles of financial management from the perspective of a corporate financial manager. We will consider the issues facing corporate financial managers and the theories and tools used to guide their decisions.

Objectives:

- To provide a conceptual framework of financial management
- To comprehend the essential concepts of finance
- To understand the fundamental theories and terminology of finance
- To apply concepts and theories in the valuation of basic financial assets
- To develop a comprehensive understanding of techniques required in financial management decision-making

REQUIRED COURSE MATERIAL:

- Custom edition of Parrino, Kidwell, and Bates, (PKB) *Fundamentals of Corporate Finance*, 2nd edition, Wiley Publishing

Texas Instruments BAI Plus “Professional” Financial Calculator is required. Demonstrations of how to use the calculator are a part of my classroom activities. In addition, Texas Instruments maintains a downloadable guidebook at:

http://education.ti.com/guidebooks/financial/baiipluspro/BAIPLUSPROGuidebook_EN.pdf.

You may use a different financial calculator as long as the following keys are present: IRR, MIRR, n, I, PV, PMT, FV, and CF; however you will have to learn how to use it on your own. Familiarize yourself with your calculator by working suggested problems and working problems in class with your instructor. You are responsible for learning how to perform the calculations using your calculator.

Keep in mind that a calculator is a tool that simplifies computations. It is more important to understand what is being calculated. Some problems we will encounter cannot be analyzed directly by using a financial calculator. It is important to understand the steps that are needed to find the solution, and then use the calculator.

Please bring your financial calculator with you to all classes and exams. While smartphone apps are allowed for use during regular class sessions, they will not be allowed during exams.

SCANTRON 882-E (GREEN) FORMS: These forms are available at the WSU Bookstore.

You have the following options regarding the purchase of the text book:

Option 1: Purchase the custom text packaged with WileyPLUS at the bookstore. The ISBN for this package is 9781119939689, which includes the ***WileyPLUS registration code*** that you will need to complete assignments over the course of the term. WileyPLUS includes the ***full eBook*** in addition to student resources including videos and tutorials, and access to the assignments you will complete during the semester. The custom text has limited number of chapters that are relevant for this course.

Option 2: Purchase the stand-alone WileyPLUS code on the publisher's website by visiting: <http://edugen.wileyplus.com/edugen/class/cls431744/>. This option includes access to the ***full eBook*** in addition to student resources including videos and tutorials, and access to the assignments you will complete during the semester.

Option 3: Purchase the custom text packaged with WileyPLUS course materials from the publisher's website by visiting: <http://edugen.wileyplus.com/edugen/class/cls431744/> that will be shipped to you. This option will allow you to access to the ***full eBook*** in addition to student resources including videos and tutorials, and access to the assignments you will complete during the semester.

IMPORTANT:

Once you have purchased the text along with the WileyPLUS code you will have to register for the course and section. You can do so by going to the following site:

<http://edugen.wileyplus.com/edugen/class/cls431744/>. Click on **FIND**, then on the drop down button next to **BUSINESS FINANCE**, and then select the course Finance 3290- Section CRN 23879 Section 003, Instructor-Norkeith Smith. A tutorial on how to register for class is available at <https://www.wileyplus.com/WileyCDA/resources-and-support/students/register.html>.

Wayne State University E-mail Account:

Blackboard only uses WSU accounts. Please activate your Wayne State University e-mail account today if you have not done so. If you have any questions regarding e-mail settings, please go to <http://computing.wayne.edu/email/> for instructions.

Discussion Board: You are encouraged to use the discussion board to raise questions about concepts covered in class and/or solutions to end-of-chapter problems. I will post a reply to your question within a 36 hours but only during weekdays.

Class Notes:

PowerPoint presentations that supplement the chapters in the textbook will be posted on blackboard by Sunday evening. You are expected to review the material that will be covered in the following class and bring a copy of the presentation to class. The class lecture and examples will follow the presentations. **It is extremely important that you keep up with material that is covered in class (By reading the scheduled material prior to class).**

Appointments:

In addition to scheduled office hours I am very willing to help you and meet with you at other times by appointment. Kindly send me an email with several possible times that you are available and I will select a time that is also suitable for me. I WILL NOT RESPOND TO PHONE CALLS OR EMAILS ON WEEKENDS OR HOLIDAYS.

EVALUATION:

There will be two non-cumulative and one cumulative exam in this course.

Students will be evaluated using the following criteria:

1. **Exams:**

There will be three exams: the first two exams will not be cumulative but the **final exam will be a cumulative “COMMON EXAM.”** The exams will be multiple-choice in format and will be closed book and closed notes. However, I will provide a formula sheet that will be available on Blackboard.

2. **Homework:**

At the end of each chapter you will be assigned homework on **WILEYPLUS**. You will typically have 120 hours (5 days) from Monday night until 11:00 p.m. Sunday to complete a homework assignment. For each assignment you will get **three attempts** to complete the problems correctly. In every subsequent attempt beyond the first attempt you will *only solve the questions that you got incorrect in the previous attempt.* Once you start an attempt you must complete and submit the attempt. Feedback will be provided the following week. Each homework assignment will be equally-weighted. Thus, your homework grade will be an equally weighted average. If you do complete homework by the deadline, you may still submit your homework assignment for up to 50% of the total grade. Thus, it is to your advantage to complete homework early to ensure that you receive the full point potential.

3. **Warning:** Sometimes the **WILEYPLUS** site is down for about a day for maintenance. This will **NOT** affect the number of attempts (three) or the duration of the interval (120 hours) to complete the homework assignments. It is your responsibility to work around this problem.

4. **Quizzes:**

There will be in class/online quizzes: the quizzes will be in a multiple-choice in format and will be closed book (if in class). Formula sheet will be included. Quizzes will typically be announced a week in advance.

5. **Attendance:**

Attendance to all classes is highly recommended. Although attendance is not recorded officially, it will aid in your overall active learning experience.

There is a strong, positive relationship between regular class attendance and mastery of course material. You will be responsible for any material presented in class and for any announcements that are made in class. You are expected to be in class on time and come prepared (read the notes and the relevant material in the text) for class. You are responsible for the material missed due to absence and/or arriving late to class. Missing many classes and/or being chronically late will significantly affect your understanding of the material and, therefore, affect your grade. You are responsible for all announcements made in class.

Evaluation Summary:

Homework	=20.00%
Quizzes	=20.00%
Midterms	=30.00%
Cumulative final exam	=30.00%
	<u>100.00%</u>

COURSE GRADES:

Your course grade will be based on your weighted-average grade on ALL evaluation items (exams, homework, etc.) using the assigned weights. After calculating the weighted average score, the following grading scale will be applied: *

94% and above: A	84% to 86%: B	74% to 76%: C	66% to 67%: D
91% to 93%: A-	81% to 83%: B-	71% to 73%: C -	64 % to 65%: D-
88% to 90%: B+	77% to 80%: C+	68% to 70%: D+	below 64%: F

* Your instructor reserves the right to deviate from this scale. Any deviations will lower the scale, however, not raise it.

MISCELLANEOUS:

Class notes that supplement the chapters in the textbook will be posted on Blackboard by Monday afternoon. You are responsible to print a copy of class notes and bring it to class (or use a digital version).

It is important that you keep up with material that is covered in class. Some questions and problems will be “suggested.” While you are encouraged to review these suggested questions and problems, only part of those suggested problems will be assigned as homework and will be graded and account for 20% of your final course grade. As time permits, suggested problems and other problems will be worked in class.

Communication: I strongly encourage you to come to my tutoring/office hours or make an appointment to meet with me. I will post announcements via Blackboard frequently. Please check Blackboard and your Wayne State University e-mail regularly to stay informed. Usually, I will respond to your email with 40 hours.

If you write me, please make sure to start the subject line with **FIN 3290 Monday**, and **sign your name at the end of the email**, so that I will know who you are.

Please note I will not respond to communication (by E-mail or otherwise) that asks for information that I have already shared with the class through: (i) the syllabus; (ii) E-mail; (iii) announcement on Blackboard; (iv) documents posted on Blackboard; (v) verbal communication in class.

For the most part, I am not required to *update* you on anything that you missed because you failed to attend class. We will observe the strictest code of professionalism in this matter. Remember that in the workplace seeking information that you are expected to know from your managers or other superiors might result in a negative impact on your status in the company. Asking for information that has already been shared with you and your peers is a mark of extreme irresponsibility and is likely to result in negative outcomes in the workplace.

Please treat this course as part of your training and development to become professionals in the workplace. The guidelines in this course will facilitate productive habits such as not asking for information that has already been provided.

Drop/Withdrawal Deadlines

Monday January 26, 2015 is the last day to drop with tuition cancellation.

Sunday February 08, 2015 is the last day to drop with no grade reported (no refund).

Students may only request course withdrawals online using Pipeline. Based on the course grade at the time of the withdrawal request the student will be assigned WP, WF, or WN. Sunday **March 29, 2015** is the last day to withdraw for Winter 2015. Please note that instructor approval is required to withdraw from classes.

Tutoring—T.B.D.

Course Policies:

To prevent misunderstanding, the following list of course policies is provided to you in advance:

1. Make arrangements with another student to get class notes if you miss class. Exams will emphasize, but are not limited to, material that has been discussed in class.
2. **MAKE-UP EXAMS WILL NOT BE GIVEN FULL CREDIT; EXAMS MUST BE MADE UP WITHIN A WEEK OF THE EXAM DATE AND AN AUTOMATIC 20% DEDUCTION FOR THE EXAM.** The only exceptions to this policy are *verified* (documented such as a medical certificate) illness and *verified* family emergencies, which will allow students to earn the maximum number of points for the exam. The excuse must state that states that the student was too ill to attend the examination. Your instructor must be notified **BEFORE** the exam for an exception to be granted (if warranted). Failure to follow this policy will result in a grade of **“ZERO”** for any missed exam not made up within a week. **The written (physical document), verifiable medical excuse must be turned in within one week of the absence.** It is the responsibility of the student to ensure that this documentation is provided. Please make a copy of this document if needed prior to submitting it to the instructor. The final exam will not be returned back to you. If you need to review the final exam please make an appointment to meet with me.

The procedures and schedule for make-up exams for Winter 2015 are as follows:

- A room will be available for make-up exams from 2:30-5:30 p.m. every Wednesday afternoon through April 22, 2015. Make-up exams will be administered in Room 25 of the Prentis building.
 - All students will need photo identification, preferably their WSU One-card, in order to take the exam. There will be no exceptions to this identification requirement.
 - Students must register to take the make-up exam in Suite 300 of the Prentis building at least 24 hours in advance of the make-up exam. Students must arrive to take the exam such that there is sufficient time to complete the exam by 5:30 p.m.
 - You are expected to bring a financial calculator to the exams. *The final exam will not be returned back to you.* You should make an appointment with me in case you need to review your final exam.
3. Cell phones are wonderful devices, but should be turned “**off**” or set to vibrate during class meetings. Use of **cameras, cell phones, and other communication devices** are **prohibited** during exams.
 4. Storing unapproved notes on calculators during exams is **not** allowed and is considered to be a form of academic dishonesty.
 5. **CHEATING AND OTHER FORMS OF ACADEMIC DISHONESTY WILL NOT BE TOLERATED AND WILL BE PROSECUTED.** You are referred to University guidelines regarding Plagiarism and Academic Integrity at:

http://www.doso.wayne.edu/student-conduct/Academic_Integrity.html

Academic Integrity (Plagiarism & Cheating)

Academic misbehavior means any activity that tends to compromise the academic integrity of the institution or subvert the education process. All forms of academic misbehavior are prohibited at Wayne State University, as outlined in the Student Code of Conduct.

Students are expected to be honest and forthright in their academic studies. Students who commit or assist in committing dishonest acts are subject to downgrading and/or additional sanctions as described in the Student Code of Conduct. Faculty and students are responsible for knowing the different forms of academic dishonesty as well as for being aware of the Student Code of Conduct.

It is important that each of us share the responsibility for maintaining a reputable University committed to academic excellence. Faculty should encourage academic honesty among students by including a statement in the course syllabus and by discussing issues such as cheating and plagiarism. Similarly, students should protect themselves by thoroughly studying and preparing for tests and assignments and by discouraging dishonesty among other students.

Cheating—intentionally using or attempting to use, or intentionally providing or attempting to provide, unauthorized materials, information or assistance in any academic exercise.

The following are some concrete examples of violations of the code of integrity:

1. Copying other people’s work or unauthorized sharing of notes or calculators during exams constitutes cheating.

2. Using notes, textbooks or other information in examinations, except as expressly permitted.
3. Use of cell phones as calculators during exams.

Academic misconduct is grounds for ***failing the course*** and for potential additional sanctions.

Students with Disabilities: I am committed to providing assistance to help you be successful in this course. Reasonable accommodations are available for students with a documented disability. Please visit the Student Disability Services (SDS) office to seek information or to qualify for accommodations. All accommodations **MUST** be approved through the SDS (the David Adamany Undergraduate Library, suite 1600). Call 313-577-1851, TTY: 313-577-3365 to make an appointment with a counselor. Additional information can be obtained at <http://studentdisability.wayne.edu/>.

TENTATIVE CLASS SCHEDULE***

Planned date of coverage	Chapter	Suggested problems/chapters covered on exam
Jan 12	Financial Manager and the Firm (Ch 1) Financial System and Interest Rates (Ch 2)	1: 1, 4, 8, 13 15, 18 20. 23, 25, 26
Jan 19	No class - Holiday	
Jan 26	Review course objectives expectations/Syllabus Financial System and Interest Rates (Ch 2)	2: 1-9, 11, 19, 25, 27
Feb 02	The Time Value of Money (Ch 5)	5: 1, 3, 4,6,7, 12, 15, 16, 19, 20, 26. 28-30
Feb 09	Discounted Cash Flows and Valuation (Chp 6)	6: 1-10,16-29, 35-38
Feb 16	Discounted Cash Flows and Valuation (Ch 6) cont'd Bond Valuation and Interest Rates (Ch 8)	6: , 42, 45, 47, 54
Feb 23	Bond Valuation and Interest Rates (Ch 8)	8: 1-16., 18-22
Mar 02	First Exam	Chaps 1, 2, 5, 6, 8
Mar 09	Chapter 9 Stock Valuation (Ch 9)	9: 6-15, 17-,22,27
Mar 16	No class – Spring Break	
Mar 23	Fundamentals of Capital Budgeting (Ch 10)	10: 1,2,5,8,12, 13-15, 17- 23, 27-30
Mar 30	Cash Flows and Capital Budgeting (Ch 11)	11: 6, 9, 10, 18-21, 22, 24-28
Apr 06	Risk and Return (Ch 7)	7: 12, 17, 19, 20, 24-26, 34
Apr 13	Second Exam	Chaps 9, 10, 11
Apr 20	Cost of Capital (Ch 13)	13: 5, 7, 9,11, 16-20, 24
Apr 27	Cost of Capital (Ch 13) review – (if enough time)	
Apr 30	Common Final Exam (6pm – 8:45pm)	Cumulative

*** **Your instructor reserves the right to alter this schedule. You will be informed of changes at least a class in advance.** Problems indicated above are from the Questions and Problems section that appears at the very end of each chapter. The bold numbers in the Problems column refer to the chapter number. While there only a few problems listed above from the end of each chapter, you are encouraged to do additional problems to promote mastery of the material. These problems will help to prepare you for the lecture and homework assignments.



This course uses WileyPLUS

FIND & REGISTER FOR YOUR COURSE

- Copy and Paste the correct Class Section URL listed below into your browser.
- Verify that the section matches your schedule before you register
- Log in or create a new ID

Class Section Name	Class Section URL
Section 003 - Monday	http://edugen.wileyplus.com/edugen/class/cls431744/

Having trouble?

- Go to www.WileyPLUS.com and click

GET ACCESS

Option 1: Log In and Buy WileyPLUS Online *(WileyPLUS includes the complete interactive textbook online)

Option 2: Buy bundled with a printed textbook at your campus bookstore

“But I was going to rent or buy a used book.”

Used and rental books do NOT include valid WileyPLUS codes, making this option the most expensive.

Not sure which option is best for you? **Grace Period** gives you temporary access for up to 14 days

WILEYPLUS HELP

Watch a Video: www.wileyplus.com/register LIVE CHAT! Technical Support: www.wileyplus.com/support



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