

UNIVERSITY OF HAWAI'I AT MANOA
Shidler College of Business
BUS 314: Business Finance
Spring 2021

Class Meetings:	Tuesdays and Thursdays 1:30 to 2:45 PM
Classroom:	Online via Zoom [Meeting ID: 942 9119 0466 / Passcode: bus3143] https://hawaii.zoom.us/j/94291190466
Instructor:	Hyeonjo Kim
Office Hours:	Fridays 4:00 to 6:00 PM, or by appointment
Office:	BusAd B202
E-mail:	hyeonjo@hawaii.edu

Course Prerequisites:

ACC 201 and 202, or consent.

Course Objectives:

You will learn the basic tools of finance. We will start with how to value distant and uncertain cash flows and move through understanding risk and applying the tools to make investment decisions for a firm and yourself. We will also survey the fundamental drivers of financing policy in a corporation and you will learn how stocks and bonds are valued and how financial markets interact with businesses. Unless you understand finance, you cannot have a thorough understanding of a company's decision-making process. What you learn in this course will help you understand the operations of your future employer (and enable you to be more successful at your job), and help you understand other companies you encounter in your role as competitor, consultant, or investor.

Textbooks and materials:

- Berk, DeMarzo, and Harford, Fundamentals of Corporate Finance, Pearson/Prentice-Hall, 5th edition.
- Access to MyFinanceLab is required.
- Class slides and handouts will be available on Lulima before each class.
- A financial calculator is required. (Suggested model: Texas Instruments BA II Plus)

Grading Structure:

2 Excel assignments	7 points each	14
10 End-of-chapter assignments	2 points each	20
2 Midterm Exams	20 points each	40
Final Exam	26 points	26
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		100 total

I grade on a curve with letter grades assigned only to the final course cumulative score. The distribution of the course grades may look close to the following:

Grade	Percentage	Grade	Percentage	Grade	Percentage
A+	Top 5% of class	A	Next 10%	A-	Next 20%
B+	Next 20%	B	Next 15%	B-	Next 15%
C+	Next 5%	C	Next 5%	C- or below	Next 5%

Course Operation:

The course meets online twice a week, on Tuesdays and Thursdays via Zoom. To get the most out of the lectures, read the slides and the related textbook chapters before the class. **The slides are not a substitute for coming to class.** There will be materials that you will be responsible for that is not covered in the slides. All materials that I hand out in class and some additional materials will be available on Laulima. To download the files, log on to laulima.hawaii.edu, using your UH username and password.

Assignments: 2 Excel assignments & 10 End-of-Chapter Assignments

There will be **2 Excel assignments**. Each Excel assignment will count for 7% of your final grade. I will announce the details of the assignments later in the semester.

I will give **10 end-of-chapter assignments** through MyFinanceLab. You will be given one week to complete each assignment from the time it was assigned to you. Each assignment will count for 2% of your final grade.

Any assignment turned in after the due date and time will be considered late and will be subjected to a penalty of a 25% reduction in your score. Assignment will NOT be accepted beyond 24 hours after it is due.

Exams:

There will be 2 midterm exams and a final. Midterm exams will be given during the normal class period. Final will be given during the final exam period. The exams may include short answer questions as well as multiple-choice questions. The exams will be open book and financial calculators will be allowed during the exams. The exams are not cumulative. However, the material covered for the earlier exams provides a framework for understanding the material in the remainder of the course.

Make-up exams can only be given under unusual circumstances. If there is a reason you cannot take an exam as scheduled, you must make arrangements **before** the exam. In order to be able to make special exam arrangements, you have to thoroughly explain the circumstances to me and produce proper documents that are prepared and signed by a third-party. Unless approved in advance, no make-up exam will be given.

Familiarity with the financial calculator (Texas Instruments BA II Plus):

Please bring your financial calculator to every class. Students should become completely familiar with the use of their calculators. In addition to the classroom instruction, a good way to improve proficiency is to go through the entire financial section of the calculator user manual, or go through the calculator tutorial in MyFinanceLab. The user manual is also available on-line.

Ethical Issues in Finance:

Students will review and discuss Codes of Ethics for financial planners and financial analysts. The importance of the fiduciary role, client confidentiality and the role of an agent will be explored. Students will analyze actual ethical problems that have arisen in financial institutions/markets and hypothetical cases involving ethical issues in a business financial setting.

Office Hours:

My formal office hour is Fridays from 4 to 6 pm. If you need to see me, please e-mail me in advance so that we can schedule a one-on-one Zoom session. **I cannot emphasize this more, but if you have difficulties in understanding the course material, please let me know early.** I am committed to working with you and to provide resources to help you succeed in this course.

Academic Dishonesty:

Instances of academic dishonesty, as defined by the University Student Conduct Code (http://www.studentaffairs.manoa.hawaii.edu/policies/conduct_code), will not be tolerated and any instance of academic dishonesty may result in a grade of "F." Further disciplinary sanctions may also be imposed by the Dean of Students in accordance with the fore-mentioned Student Conduct Code.

Dropping the Class:

For deadlines and information, check www.hawaii.edu/myuh/manoa.

Disability Access:

Students with disabilities are encouraged to contact the KOKUA Program for information and services. Services are confidential and students are not charged for them. Contact KOKUA at 956-7511 (voice/text), kokua@hawaii.edu, or Student Services Center, Room 13.

Course Schedule:

Below is the **tentative** schedule of events, which is subject to changes depending on progress made during the course.

Session	Date / Day		Topic	Readings	Lecture Notes
1	Jan 12	T	Syllabus, Introduction		Note 1
2	Jan 14	R	Corporate Finance and the Financial Manager	Chapter 1, 2	Note 1
3	Jan 19	T	Time Value of Money: An Introduction	Chapter 3	Note 2
4	Jan 21	R	Time Value of Money: Valuing CF Streams [Students must have calculators by this class.]	Chapter 4	Note 3
5	Jan 26	T	Time Value of Money: Valuing CF Streams	Chapter 4	Note 3
6	Jan 28	R	Time Value of Money: Valuing CF Streams	Chapter 4	Note 3
7	Feb 2	T	Interest Rates	Chapter 5	Note 4
8	Feb 4	R	Interest Rates	Chapter 5	Note 4
9	Feb 9	T	Bond Valuation	Chapter 6	Note 5
10	Feb 11	R	Midterm I Review Session		
11	Feb 16	T	Midterm I		
12	Feb 18	R	Bond Valuation: Corporate Bonds and Spreads	Chapter 5, 6	Note 6
13	Feb 23	T	Bond Valuation: Inflation	Chapter 6	Note 7
14	Feb 25	R	Investment Decision Rules	Chapter 8	Note 8
15	Mar 2	T	Investment Decision Rules	Chapter 8	Note 8
16	Mar 4	R	Investment Decision Rules	Chapter 8	Note 8
17	Mar 9	T	Midterm II Review Session		
18	Mar 11	R	Midterm II		
	Mar 16	T	Spring Break		
	Mar 18	R	Spring Break		
19	Mar 23	T	Capital Budgeting	Chapter 9	Note 9
20	Mar 25	R	Capital Budgeting	Chapter 9	Note 9
21	Mar 30	T	Valuing Stocks	Chapter 7, 10	Note 10
22	Apr 1	R	Valuing Stocks	Chapter 7, 10	Note 10
23	Apr 6	T	Introduction to Risk and Return	Chapter 11	Note 11
24	Apr 8	R	Introduction to Risk and Return	Chapter 11	Note 11
25	Apr 13	T	Risk and Return – Portfolio Theory	Chapter 11, 12	Note 12
26	Apr 15	R	Risk and Return – Portfolio Theory	Chapter 11, 12	Note 12
27	Apr 20	T	Risk and Return – CAPM	Chapter 12	Note 13
28	Apr 22	R	Risk and Return – CAPM	Chapter 12	Note 13
29	Apr 27	T	Cost of Capital	Chapter 13	Note 14
30	Apr 29	R	Cost of Capital	Chapter 13	Note 14
31	May 4	T	Final Review Session		
	May 6	R	Study Day (No Class)		
32	May 13	R	Final Exam (12:00-2:00 PM)		