

BUSINESS FINANCE
BUS 314
Spring 2021

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Office Hours: 2:00 – 3:00 pm
Tues and Thurs
(or by appt.)

PURPOSE (just why should we study finance?)

What specific assets should the firm acquire and what total volume of funds should the enterprise commit? How should the funds required be financed?

These questions were posed over forty years ago by Professor Ezra Solomon of Columbia University in an effort to crystallize the content of corporate finance. These questions will serve as the learning objectives for Business Finance, BUS 314. We will also apply the CFA and CFP code of ethics to current events and several cases in the text.

The purpose of Business Finance 314 is twofold. First, the course is intended as an introduction to the field of business management known as finance. This introduction is designed to afford the student an enlightened perspective as to how finance fits into the general scheme of things in the modern firm -- what finance is and how it is used. The second purpose is to prepare the student desiring an academic emphasis in finance for the remainder of the finance curriculum. Thus the course is simultaneously a survey course for “non-majors” and building block course for “majors”.

FORMAT (order in the universe)

The classes will be primarily lecture oriented however a portion of class time shall be spent going over specific finance problems. Powerpoint slides and answers to the end of chapter problems are found on Lualima. You should print the Powerpoint slides (6 slides per page) and bring them to class to take notes on. Having a laptop open during class is wasting your time.

The Powerpoint slides present the material from the chapter by analyzing the Integrated Case for that specific chapter. You should read the assigned chapters and at least skim the Integrated Case before class to get the most out of the lecture. Students are highly encouraged to ask questions and/or provide comments at any time.

Cengage is the online platform used for this class. You may use your own computer for the online assignments while exam testing will be in the computer lab. All online assignments and exams are on Cengage as well as videos reviews and practice problems. Online activities that count towards your grade are marked with a red dot and say “COUNTS TOWARDS GRADE” and are found in the folder titled “Assignments”. All online activities and assignments are organized by chapter. You are allowed up to three tries for most online assignments and your average grade is kept as your score for that assignment. Please note that the window for taking the online assignments for a given chapter closes approximately one week after the class lecture for that chapter. If you miss the online assignment no time extensions will be given. This is to encourage you to not fall behind in class. The closing dates for the online assignments are found on Cengage and at the end of this syllabus.

There are two types of videos reviews, *Concept Clips* that review key finance concepts in short animated clips and *End of Chapter Problem Walk-Throughs* that walk you through solving a problem step by step, front start to finish. It's like having your own personal finance tutor.

Each online chapter also includes *Practice and Test Prep* problems that you can take to provide feedback on your level of competency for that chapter. These activities do not count towards your grade but will aid in your preparation for the exams.

The online portion of the course starts with "Are You Ready? Topic Review" which reviews some basic concepts from previous courses you have taken in accounting, mathematics, and information technology management.

GRADING (it's the learning that matters)

Online Assignments		700 points
	Chapters	
Mid-term 1	1, 2, 3, 4	100 points
Mid-term 2	5, 7, 8, 9	100 points
Final exam	10, 11, 12, 13, 14	100 points

Your grade in the course is based on your performance on the three exams and the online assignments. Each exam counts as 10% of your final grade. Online assignments account for the remaining 70% of your final grade. Do not plan to leave prior to the end of the semester. The final exam will not be given "early". No grades will be given out via email or phone.

You are responsible for learning how to access the Cengage website and remembering your logon ID and password. Any technology problems with the Cengage website are the responsibility of the student. If you have a problem with the website you must contact technical support at Cengage for help. Students should expect to study 6-9 hours per week outside regularly scheduled class times in order to complete the course. Final, overall scores will be curved to a mean of 80%. Letter grades will be assigned as below.

- A 90 - 100%
- B 80 - 99%
- C 70 - 79%
- D 60 - 69%
- F < 60%

Please recognize that the size of this class makes it necessary for the cutoffs to be firm, i.e., there will be no rounding up, regardless of how close you are to the higher grade.

There will be NO makeup exams for unexcused absences. If you have a valid university approved excuse for missing any of the exams, you may take a makeup exam. If you do not have a valid university approved excuse for missing an exam, the exam will count as a zero. In order to be excused from an exam, the student must contact me **before** the exam.

For the exams you will be allowed to bring in a financial calculator, and an 8" by 11" sheet of paper on which you can write, type, or copy anything that you like (yes you can write on both sides!) Included with the test will be a copy of Appendix C from the text that summarize the major formulas used in the text chapters. No other materials may be used during the exam including cell phones. If you are caught cheating on an exam you will receive a zero for the exam, an "F" for the course, and may be expelled from the university.

Since the exams are multiple choice, you will receive no partial credit. This lowers scores considerably from what they would be if partial credit were given. Thus, if you get 50 percent correct,

this does not mean that you know only 50 percent of the material--you probably know a lot more. Therefore, we curve the final grade, and only the curved grade is meaningful.

Email: Please do not use email to ask any questions related to the course content or format. Such questions should be asked in person during class or office hours. I am a slow typist and email is a very inefficient way to respond to questions.

HOMEWORK and ONLINE ASSIGNMENTS (the most fun you can have with a calculator)

Review the end of chapter *Self-Test Questions and Problems* first and then solve the recommended end-of-chapter questions & problems listed below. Appendix A of the textbook provides solutions to the *Self-Test Questions and Problems*. Answers to all the end-of-chapter problems are on Laulima while some of the answers are located in Appendix B of the textbook.

Look back in the chapter text and your class notes for examples and discussion to aid you in answering the end-of-chapter questions and problems. Take advantage of the online video reviews and *Practice and Test Prep* activities to prepare you for the graded online assignments and exams. Then when you are ready, complete the graded online assignments. Remember your grade for the online assignments is based on the average of up to 3 tries. Also note the closing dates for the various graded online assignments (available on Cengage and listed below).

Note on calculators: The use of financial calculators is required due to the quantitative nature of finance and time constraints of examinations. The HP-10B-II+ or the HP-17B are the calculators I recommend. You should bring your calculator to class. Students should become completely familiar with their machine prior to the exams. No calculator instruction guides or user's manuals may be used during the examinations. Calculators may not be shared on exams. Calculator apps on cell phones are not allowed for exams.

TEXTBOOK (more than just a souvenir)

CengageNow plus eBook for the course is available from the UH bookstore.

You must set up an account with Cengage Now. Do not delay in setting up your account as you will need it the very first day of class. No makeups will be allowed if you delay in setting up your CengageNow account. If you have any difficulties setting up your account you must contact technical support at Cengage. You will need the access code from the textbook bundle purchased from the UH bookstore. Follow the directions on the "How to Access your MindTap course" provided on Laulima to register for this class on Cengage.

Cengage Course Support: Phone: (800) 354-9706 Online: support.cengage.com

RECOMMENDED END of CHAPTER QUESTIONS AND PROBLEMS (gotta do it)

You should first work the end-of-chapter *Self-Test Questions and Problems* and then solve the following end-of-chapter questions and problems to help you prepare for the graded assignments. Answers to all the end-of-chapter problems are on Laulima.

Chapter	Reading	Questions	Problems
1	All	1, 3, 6, 8	none
2	All	2, 3, 4, 7, 9	none

3	All	4, 7	1, 2, 3, 8, 10, 15
4	All	1, 2, 6	1 - 6, 8, 11, 13, 15
5	All	1, 2	1 - 18, 23, 24
7	All	2, 3	1 - 7, 11, 13
8	All	1, 2, 7, 8	1 - 7, 11, 12
9	All	2, 3, 5	1 - 8, 10, 11, 14, 15
10	All	2, 3	1 - 5, 7, 9, 12, 13
11	All	1, 3, 6	1 - 7, 9, 12
12	All	1, 2, 3, 4	1, 2, 3, 7, 8
13	All	1, 3, 5, 9	1, 2, 4, 5, 6, 8
14	All	3, 8	1 - 6

COURSE SCHEDULE Spring 2021

Week Beginning

Jan 11	Intro/Chapter 1: Chapter 2:	An Overview of Financial Management Financial Markets and Institutions
Jan 18	Chapter 2: Chapter 3:	Financial Markets and Institutions Financial Statements, Cash Flow, and Taxes
Jan 25	Chapter 3: Chapter 4:	Financial Statements, Cash Flow, and Taxes Analysis of Financial Statements
Feb 1	Chapter 4:	Analysis of Financial Statements
Feb 8	Chapter 5: Midterm Exam 1	Time Value of Money Chapters 1, 2, 3, 4
Feb 15	Chapter 5: Chapter 7:	Time Value of Money Bonds and Their Valuation
Feb 22	Chapter 7: Chapter 8:	Bonds and Their Valuation Risk and Rates of Return
Mar 1	Chapter 8:	Risk and Rates of Return
Mar 8	Chapter 9:	Stocks and Their Valuation

Spring Break March 15 -19

Mar 22	Chapter 10: Midterm Exam 2	The Cost of Capital Chapters 5, 7, 8, 9
Mar 29	Chapter 10: Chapter 11:	The Cost of Capital The Basics of Capital Budgeting
Apr 5	Chapter 11: Chapter 12:	The Basics of Capital Budgeting Cash Flow Estimation and Risk Analysis
Apr 12	Chapter 12:	Cash Flow Estimation and Risk Analysis
Apr 19	Chapter 13:	Capital Structure and Leverage
Apr 26	Chapter 13:	Capital Structure and Leverage
May 3	Chapter 14:	Distributions to Shareholders
	Final Exam	Chapters 10, 11, 12, 13, 14

Final exam on May 11, 2021 from 2:15 pm – 4:15 pm

ONLINE ASSIGNMENT CLOSING DATES Spring 2021

Chapter Closing Date (11:59 pm)

Intro & 1	Jan 24
2	Jan 31
3	Feb 7
4	Feb 7
5	Feb 21
7	Mar 7
8	Mar 14
9	Mar 21
10	Apr 4
11	Apr 18
12	Apr 25
13	May 9
14	May 9