

Syllabus
BUS 314: Business Finance; Section 3
Fall 2020

Class Meetings: Wednesday 8/26/2020 through Wednesday 12/8/2020,
Wednesday and Friday from Noon-1:15pm Online Lectures
Instructor: Larry Schiff, MBA in Finance, The Wharton School, University of PA
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Please contact me anytime using this UH email address, and limit your use of my cell to emergencies only.

Office hours: Monday and Wednesday After Class

Course Description:

As a prerequisite for all other finance courses, BUS 314 is the business core course in basic finance. It provides a broad exposure to financial theory, principles, concepts, tools, techniques, practices, and analysis. This class introduces the student to the basic vocabulary and concepts of financial reasoning, gives the student familiarity with key financial decisions made by firms and provides a conceptual framework for the analysis of these decisions. It focuses on how companies invest in real assets, how they raise the money to pay for these investments, and how they set dividend and payout policy. Major topics include: financial markets, time value of money, valuation of bonds and stocks, cost of capital, capital budgeting, capital structure, dividend policy, and risk estimation.

Objectives:

Upon completion of this course the students will be able to:

- Apply the principles of financial reasoning to business situations
- Assess business problems using time value of money techniques
- Perform quantitative and qualitative analysis of risk and return components
- Demonstrate general understanding of financial markets and instruments
- Apply the basic principles of security analysis
- Perform capital budgeting analysis
- Analyze business problems in capital structure, dividend policy, and cost of capital

Textbook:

Berk, DeMarzo, and Harford, "Fundamentals of Corporate Finance," Pearson/Prentice-Hall, 4th edition, ISBN 9780134641928

How to Access Your Course Materials for Pearson's MyLab & Mastering Using the Access Code:

For this course we will be using Pearson's MyFinanceLab for "Fundamentals of Corporate Finance." Please order either or both the eBook and/or a hardcopy/looseleaf version with the MyLab bundle, or purchase the book at the UH bookstore. **Even if you purchase the book at the UH Bookstore, YOU MUST STILL PURCHASE MYLAB FROM PEARSON in order to complete your homework assignments.**

To register for Bus 314 fall 2020 on the Pearson website:

1. Go to <https://www.pearson.com/mylab>.
2. Under Register, select **Student**.
3. Confirm you have the information needed, then select **OK! Register now**.
4. Enter your instructor's course ID: **schiff76265**, and **Continue**.
5. Enter your existing Pearson account **username** and **password** to **Sign In**.

You have an account if you have ever used a MyLab or Mastering product.
» If you don't have an account, select **Create** and complete the required fields.

6. Select an access option.
 - » Enter the access code that came with your textbook or that you purchased separately from the bookstore.
 - » If available for your course,
 - Buy access using a credit card or PayPal.
 - Get temporary access.

If you're taking another semester of a course, you skip this step.

7. From the You're Done! page, select **Go To My Courses**.
8. On the My Courses page, select the course name **Bus 314 fall 2020** to start your work.

To sign in later:

1. Go to <https://www.pearson.com/mylab>.
2. Select **Sign In**.
3. Enter your Pearson account **username** and **password**, and **Sign In**.
4. Select the course name **Bus 314 fall 2020** to start your work.

To upgrade temporary access to full access:

1. Go to <https://www.pearson.com/mylab>.
2. Select **Sign In**.
3. Enter your Pearson account **username** and **password**, and **Sign In**.
4. Select **Upgrade**

access for **Bus 314 fall 2020**.

5. Enter an access code or buy access with a credit card or PayPal.

Homework:

Completion of all homework exercise and problem assignments for each of the chapters in your MyLab is required as appropriate, prior to the midterm and the final exam (please see the attached Class Schedule). However, assignments will not be graded, nor handed in. Homework is assigned to assist you in studying and preparing for your midterm and final in-class exams, and each homework assignment is structured to take you about 45 minutes to complete. **Please see the Class Schedule for Homework due dates.**

You must score at least an 80% on each homework assignment to receive credit for its completion, and 2% will be deducted from your final course grade (there are 15 homework assignments) for each incomplete homework assignment.

Other Required Materials:

You may use either a computer with Excel or another spreadsheet program, or an online finance and statistical function calculator app. A hand-held financial calculator such as a Texas Instruments or Hewlett-Packard brand is not required for this course, primarily because these older technologies are no longer commonly used in the financial industry.

Prerequisites:

Please refer to the UHM General Catalog at www.catalog.hawaii.edu

CLASS STRUCTURE:

This class is a series of Zoom online lectures/discussions. You are expected to participate in these daily class discussions. You may signal to me that you have a comment or question at any time, either by turning on your microphone and speaking, or by sending a text chat to me and the class. I will record each day's class lecture/discussion, and these recordings, as well as supplemental notes that I've prepared, will be available to you on my Google Drive throughout the course's duration.

ATTENDANCE:

Students are expected to attend every class. You are allowed to miss two classes without affecting your grade. **After two misses, 10 points will be mandatorily deducted from your final course grade. After five cumulative misses, another 10 points will be mandatorily deducted from your final course grade.** Substantiable absence due to sickness, accident, family issue, logistical impossibility, etc., will not be counted into these two exceptions. Students need to scan and submit either a doctor's note (when available) or a detailed personal email with an acceptable reason for the absence, in order to be excused.

I will be taking attendance just before each class during the time that you are in the “waiting room,” awaiting admittance to the Zoom lecture (I’m usually online about 10-15 minutes before class.) I will open admittance to the class about one minute before the lecture begins. If you arrive to the Zoom lecture after the lecture has begun, you should send me an email at my UH email to ensure that I’ve captured your attendance.

PARTICIPATION AND PREPARATION:

To encourage you to participate in class discussion, so that I can observe your level of participation, and because regular lectures include information beyond the scope of the textbook, you are required to “share video” for every lecture and exam for the entire class (with your microphone turned off). If you cannot abide with this requirement, please let me know your reason at your earliest convenience, and I will consider it.

Participation in class discussions and group exercises is strongly encouraged; it will contribute to your experience in class and could bolster your final grade at my discretion. You are expected to complete all readings prior to class to increase the quality of class discussions.

Grading:

Midterm Exam: 50%

Final Exam: 50%

Based on a 100-point scale, your letter grade will be:

Scale	95/above	90 -- 94	87 -- 89	83 -- 86	80 -- 82	77 -- 79	73 -- 76	70 -- 72	60 -- 69	59/below
Grade	A+ or A	A-	B+	B	B-	C+	C	C-	D	F

Midterm and Final Exams:

Students will be responsible for all material assigned from the text and lectures. There will be two exams, a Midterm (based on material covered in the first half of the semester) and a Final (primarily based on material covered in the second half of the semester, although second half concepts build largely upon first half material).

I will distribute a Midterm Exam Study Sheet as well as a Final Exam Study Sheet to you several days before each exam, so you’ll know which topics I consider most important for you to study in preparation.

The Midterm and Final Exams will be short answer problems, open book, open note and open Internet, and will be graded on a curve, if necessary. You may not contact anyone

during the exam in any manner, except of course you may contact me with questions via microphone or text chat.

I will distribute exams to you in batches beginning 15 minutes before class, as you come online. You should contact me when you have finished taking the exam, email the completed exam back to me on a NEW EMAIL CHAIN, and I will check you out individually after I have a quick look at your completed exams and answer sheets. You should show any work on the exams so I can give you partial credit, as appropriate.

- No make-up exams will be given, and an “Incomplete” grade is not available for this course.
- If you miss the scheduled midterm exam, you must notify me as soon as possible and provide a supporting document for your absence.
- If I agree that your reason is sufficient to warrant absence from the missed midterm exam, the 50% weight of the missed midterm exam will be added to the final exam (thus, your final exam score will count towards 100% of your total course grade).
- If you do not notify me or cannot provide an acceptable, documented reason for the missed midterm exam, you will be assigned a grade of 0%, which will account for 50% of your grade.
- There is no makeup final exam available. A missed final exam will be assigned a grade of 0%; we will discuss grade handling for a missed final exam on an individual basis.

Academic Dishonesty:

Instances of academic dishonesty, as defined by the University Student Conduct Code (<http://www.hawaii.edu/student/conduct>), 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 aforementioned Student Conduct Code.

Dropping the Class:

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

Class Schedule:

Adjustments to the schedule or assignments, should they be necessary, will be announced in class.

#	Date / Day		Topics	Readings	Homework
1	Aug 26	Wed	Corporate Finance & the Financial Mgr.	Chapter 1	
2	Aug 28	Fri	Intro to Financial Statement Analysis	Chapter 2	
3	Sep 2	Wed	Time Value of Money: Intro	Chapter 3	
4	Sep 4	Fri	Time Value of Money: Intro	Chapter 3	
5	Sep 9	Wed	Time Value of Money: Valuing Cash Flows	Chapter 4	
6	Sep 11	Fri	Time Value of Money: Valuing Cash Flows	Chapter 4	
7	Sep 16	Wed	Interest Rates	Chapter 5	
8	Sep 18	Fri	Bonds	Chapter 6	
9	Sep 23	Wed	Bonds	Chapter 6	
10	Sep 25	Fri	Investment Decision Rules	Chapter 8	
11	Sep 30	Wed	Investment Decision Rules	Chapter 8	
12	Oct 2	Fri	Fundamentals of Capital Budgeting	Chapter 9	
13	Oct 7	Wed	Fundamentals of Capital Budgeting	Chapter 9	
14	Oct 9	Fri	Midterm Prep		Chapters 1 thru 6, and 8 & 9 Are Due
15	Oct 14	Wed	Midterm, Chapters 1 thru 6, 8 & 9		
16	Oct 16	Fri	Stock Valuation	Chapter 7, 10	
17	Oct 21	Wed	Stock Valuation	Chapter 7, 10	
18	Oct 23	Fri	Stock Valuation	Chapter 7, 10	
19	Oct 28	Wed	Risk and Return	Chapter 11, 12	
20	Oct 30	Fri	Risk and Return	Chapter 11, 12	
21	Nov 4	Wed	Risk and Return	Chapter 11, 12	
22	Nov 6	Fri	Risk and Return	Chapter 11, 12	
	Nov 11	Wed	<i>No Class – Veterans Day</i>		
23	Nov 13	Fri	Cost of Capital	Chapter 13	
24	Nov 18	Wed	Cost of Capital	Chapter 13	
25	Nov 20	Fri	Capital Structure	Chapter 16	

26	Nov 25	Wed	Capital Structure	Chapter 16	
	Nov 27	Fri	<i>No Class – Non-Instructional Day</i>		
27	Dec 2	Wed	Payout Policy	Chapter 17	
28	Dec 4	Fri	Payout Policy	Chapter 17	
29	Dec 9	Wed	Finish Lectures		
30	Dec 11	Fri	Final Exam Prep		Chapters 7 & 10, 11, 12 & 13, and 16 & 17 Are Due
31	Dec 16	Wed	Final Exam, Chapters 7 & 10, 11, 12 & 13 and 16 & 17		

*Schedule based on UH Fall 2020 Semester Academic Calendar
(Subject to Change)*