

COURSE SYLLABUS
Principles of Finance Fall 19 CRN3255
BFN -201- 3 credit hours

SCHEDULE AND CONTACT INFORMATION:

THIS COURSE IS ONLINE and located on the MxCC Blackboard site

Professor: Sue Lugli

Office Location: Wheaton Hall, Room 313

Office Hours: Monday 11am-12pm, Wednesday 3-6pm and by appointment

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****The Professor reserves the right to change this syllabus at any time.****

COURSE DESCRIPTION

This course provides basic principles involved in the process of making financial decisions both in a business and in personal. Topics include the time value of money, ratio analysis of financial statements, leverage, cash flow, working capital and the relationship of risk to return. Prerequisites: A grade of C- or better in all of the following courses: ACC113 or ACC115, ECN101, ECN102 and MAT167(MAT167 may be taken concurrently.)

IMPORTANCE OF COURSE IN PROGRAM/DISCIPLINE

Finance (BFN 201) provides the student with the fundamentals to the principles of business finance, their application to organizations and their own personal money management. It is required of all business students. Analytical financial decision-making skills are necessary in all functional departments of organizations. The knowledge, skills, and attitudes needed to effectively manage money are the same as those necessary in real life. This course provides each student a firm business foundation and an opportunity to develop his/her own, unique philosophy and style of financial management.

PROGRAM LEARNING OUTCOMES CONTAINED IN COURSE

In today's competitive environment, employers expect graduates to possess a certain skill set. The following learning outcomes are incorporated into the course:

1. Analyze principles, techniques and major functions of finance in business and organizations
2. Work independently and with others of diverse backgrounds
3. Demonstrate proficiencies in reading, writing, listening, presentation, spreadsheet application and decision making

4. Rationalize and present solutions to problems using business knowledge and knowledge from other academic disciplines
5. Develop a sound ethical, philosophical and moral skill set necessary to succeed in business

COURSE LEARNING OUTCOMES:

1. Knowledge of ethical and legal business behavior
2. The role of Managerial Finance in business environments and world economies
3. The Financial Market Environment
4. Taxation and Investing
5. The concept of risk and return
6. Personal productivity, financial and organizational skills

Designated TAP Learning Outcomes (Competencies) of the Course

Continuing Learning/Information Literacy

- Demonstrate competency in using current, relevant technologies to solve problems, complete projects, and make informed decisions.
- Access, navigate, identify and evaluate information that is appropriate for students' need(s) and audience(s).
- Synthesize information to broaden knowledge and experiences and to produce both independent and collaborative work.
- Evaluate the economic, legal, ethical, and social issues surrounding the access and use of information and relevant technologies.

Critical Analysis & Logical Thinking

- **Identifying Arguments:** Identify issues, evidence and reasoning processes; distinguish facts from opinion; recognize various types of arguments.
- **Formulating arguments:** Formulating good arguments, including a significant focus on inductive reasoning.
- **Analysis:** Break subject matter into components, and identify their interrelations to ascertain the defining features of the work and their contributions to the whole.
- **Evaluation:** Identify assumptions, assessing the quality and reliability of sources of evidence, and demonstrating knowledge of the criteria for evaluating the success of each kind of inference.
- **Synthesis:** Draw together disparate claims into a coherent whole in order to arrive at well-reasoned and well-supported inferences that can be justified as a conclusion.

Textbook & Learning Resources

Principles of Finance, brief, 8th edition, Zutter, Smart Pearson Higher Ed with My Finance Lab access code - The course ID is

This is the site information on where you will work throughout the class to create your Investment portfolio for your Final Project – The password to sign on is [BFNFL2019](#)
- <https://www.howthemarketworks.com/register/158007>

Methods of Instruction:

The instructor will use a combination of discussions, myFinance lab, How the market works, excel assignments, and lectures/video to cover the instructional objectives and topics. Assignments will be reviewed for content and clarity. Criteria for grading will be openly discussed and rubrics will be online for your review and to download. Assignments will be posted on the course Blackboard site in advance.

Course Evaluation and Grading

Homework	10%
Quizzes	15%
Discussions	10%
Three tests	45%
Portfolio Project/assignment	<u>20%</u>
	100%

Grade Scale

A = 93-100
A - = 90-92.49
B+ = 87-89.49
B = 83 -86.49
C+ = 77-79.49
C = 73 - 76.49
C- = 70-72.49
D+ = 67 - 69.49
D = 63 - 66.49
D- = 61 - 62.49
F = 60 and below

Final Grades will be determined by applying the percentages listed above to the graded work submitted to meet course requirements. **I do not accept emailed assignments.** Use the Blackboard grade book to review your grades. Assignments must be in the proper format for the given assignment. Late work is assessed a penalty that will be listed on each assignment. This course uses safe assign software to prevent plagiarism. All submitted work should have proper citations. I do not grant Incompletes unless there is a documented medical reason. All work is due by midnight on the day of your final. The course is officially over at that time.

This course is a **SELF STUDY COURSE**, not an independent study course. There are **scheduled weekly** assignments and exams with due dates. All of the work is completed Online.

Homework – Chapter homework can be found on the Pearson's My Finance Lab. The homework will help you prepare for the chapter quiz. You can take the homework over

and over again to score 100. You must get at least a 70 on the chapter homework in order to take the chapter quiz.

QUIZZES:

Chapter quizzes can be found on the Pearson's My Finance Lab. Quizzes are not timed but must be completed in one session. You have one chance to complete the quiz.

Spreadsheet Assignments:

You need to have Excel. It is free to you. See the document in the course content week one area. The portfolio assignment requires Excel as does several others. If you have a Mac you can still download it. I have a Mac and use it. Excel assignments need to be upload via blackboard. I have to grade them manually so it takes time.

TESTS:

There are three tests. You will have one chance to complete the test. The test will have questions found on MyFinance Lab and will also have an excel component to them. The test is not timed but you will need to complete the MyFinanceLab portion in one sitting.

Portfolio ASSIGNMENTS: Your portfolio assignments relate to your final project – This project is a real-world application to the content of the course. While the assignments are not due every week it is important to review your portfolio and make adjustments. The top two portfolios (one for most diverse and another for most profit) will receive 5 extra points on their overall grade. They still both need to meet the criteria of the overall project in addition to being the most profitable or the most diverse. Review the project details in the course content and left navigation areas.

On the Discussion Board – Discussions are important and a great way to get better grades and ask questions - First posts should be by Wednesday at 11:59pm and then multiple posts by Sunday at 11:59pm.

How to achieve an excellent grade on the discussion board: In order to be eligible for top grades, you should support your thoughts and opinions with specific references to the text (including page numbers) and/or external references to credible sources (cite all references.)

Each posting should be content driven, 4 to 5 sentences in length, utilize correct grammar and punctuation and encourage further discussion by posting researched data.

Posts that will not count towards a student's grade on the discussion board assignment are:

Posts that are a majority of Internet information cut and pasted into the discussion board with little of your own words

Posts containing 3 or less sentences and/or numerous grammatical errors

Posts that are blank, very offensive or off topic

Posts that use texting slang, shortcuts, or happy faces, etc., so u for you, or r for are, and i for I – these are just 3 examples of poor grammar that will not be accepted.

A great headline is also very important. You want to get as many clicks and comments from your peers and me as possible! So don't just say ...discussion 1... come up with something good!

Attendance Policy:

Regular activity in online courses is essential to student success. If you have decided not to continue in a course, do not simply stop attending. You need to withdraw officially. Only students who withdraw from class will receive a grade of W. Otherwise, students will receive the grade they have earned.

Communication Plan:

I send announcements via your MxCC student email. It is your responsibility either to link your personal email to that email or to review your student email on a regular basis.

The best way to communicate with me is to send me an email – slugli@mxcc.edu
Use the “ask the instructor” forum on the discussion board to ask general questions to me or the class. If you have something of a personal concern please use the message function on the left navigation bar. Note, I have to be online to check that message and so the best way to reach me quickly is to email me directly – slugli@mxcc.edu.

Classroom conduct:

In regards to discussion boards: **Engage in respectful debates:** It is OK to disagree on the discussion forum, but do so in a respectful and articulate manner. Name calling and put-downs are not acceptable, but providing a rational and articulate argument supported by data is encouraged. **Avoid ALL CAPS:** Using all capital letters indicates yelling and is not appropriate for an online post. **Be informative:** Make sure you post right into the discussion board – do not upload a file.

Additional College Policies:

For information about the college's policies and procedures regarding academic honesty, accessibility/disability services, non-discrimination, attendance, audio-recording in the classroom, grade appeals, plagiarism, religious accommodations, weather/emergency closings, and more, please go to the following website: <http://www.mxcc.edu/catalog/syllabus-policies/>

Tentative Schedule
Fall 2019 Weekly Schedule Marketing

Week	Outcomes/objectives students should master	Assignments
Week 1 8/27 – 9/1	An introduction to Investments LG1 Understand what a stock is and why people invest in a stock. LG2 Describe what Stock Exchanges and Averages are. LG3 Understand the differences between Stocks, Bonds Mutual Funds and ETFs are. LG4 Understand how to read a Stock, Bond, Mutual Fund or ETF Quote.	Read the syllabus and outline Read the portfolio project documents Post on the introduction discussion Board Go to the website and register- https://www.howthemarketworks.com/register/158007 register and complete all the assignments on the site.
Week 2 9/2- 9/8	An introduction to Investments and Excel Learning Outcomes: LG1 Understand the basic functions of Excel. LG2 Understand cells, cell relationships and be capable of creating one or two dimensional Data Tables to show the relationship between two or more financial variables. LG3 Understand and apply data	Read all Lecture Notes, Review the Power Points and Videos on this blackboard site Go to the website - https://www.howthemarketworks.com/register/158007 complete all the homework assignments on the site Submit the portfolio assignment

	<p>types, formulas and functions.</p> <p>LG4 Solve financial problems using Excel.</p> <p>LG5 Create an excel document to track Portfolio Performance over the semester</p> <p>LG6 Analyze and evaluate different investment options for the portfolio.</p>	
<p>Week 3 9/9 -9/11</p>	<p>Chapter 1 The Role of Managerial Finance</p> <p>LG 1 Define finance and the managerial finance function.</p> <p>LG 2 Describe the goal of the firm, and explain why maximizing the value of the firm is an appropriate goal for a business.</p> <p>LG 3 Identify the primary activities of the financial manager.</p> <p>LG 4 Explain the key principles that financial managers use when making business decisions. Describe the legal forms of business organization.</p> <p>LG 6 Describe the nature of the principal-agent relationship between the owners and managers of a corporation, and explain how various corporate governance mechanisms attempt to manage agency problems.</p>	<p>Read Chapter 1</p> <p>Complete the Chapter homework and quiz on My Finance Lab</p> <p>Post on the discussion Board</p>

<p>Week 4 9/16 – 9/22</p>	<p>Chapter 2 The Financial Market Environment</p> <p>LG 1 Understand the role that financial institutions play in managerial finance.</p> <p>LG 2 Understand the role that financial markets play in managerial finance.</p> <p>LG 3 Describe the differences between the money market and the capital market.</p> <p>LG 4 Understand the major regulations and regulatory bodies that affect financial institutions and markets.</p> <p>LG 5 Describe the process of issuing common stock, including venture capital, going public, and the role of the investment bank.</p> <p>LG 6 Understand what is meant by financial markets in crisis, and describe some of the root causes of the Great Recession.</p>	<p>Read Chapter 2</p> <p>Complete the Chapter homework</p> <p>Complete the spreadsheet exercise on page 70 in the book (located after the problems section in the ebook) and submit it to blackboard</p> <p>Complete the portfolio assignment and post it on Blackboard</p> <p>Post on the discussion Board</p>
<p>Week 5 9/23 -9/29</p>	<p>Chapter 3 pages 72-90book</p> <p>Financial Statements and Ratio Analysis</p> <p>LG 1 Review the contents of the stockholders’ report and the procedures for consolidating international financial statements.</p>	<p>Read Chapter 3 pages 72-94book (stop at activity ratios in the ebook)</p> <p>Complete the Chapter homework and quiz on My Finance Lab</p> <p>Post on the discussion Board</p>

	<p>LG 2 Understand who uses financial ratios and how.</p> <p>LG 3 Use ratios to analyze a firm's liquidity and activity.</p>	
<p>Week 6 9/30 – 10/6</p>	<p>Chapter 3 pages 90-118 book</p> <p>Financial Statements and Ratio Analysis</p> <p>LG 4 Discuss the relationship between debt and financial leverage, as well as the ratios used to analyze a firm's debt.</p> <p>LG 5 Use ratios to analyze a firm's profitability and its market value.</p>	<p>Read Chapter 3 pages 94- 118 book (start at the 3.5 Debt ratios in the e-book)</p> <p>Complete the Chapter homework and quiz on My Finance Lab</p>
<p>Week 7 10/7 -10/13</p>	<p>Chapter 3</p> <p>Financial Statements and Ratio Analysis</p> <p>LG 6 Use a summary of financial ratios and the DuPont system of analysis to perform a complete ratio analysis.</p>	<p>Complete the First Test Chapters 1 -3</p> <p>Complete the discussion board</p>

<p>Week 8 10/14 – 10/20</p>	<p>Chapter 4 Long and Short-term Planning</p> <p>LG 1 Understand the financial planning process, including long-term (strategic) financial plans and short-term (operating) financial plans.</p> <p>LG 2 Understand tax depreciation procedures and the effect of depreciation on the firm’s cash flows.</p> <p>LG 3 Discuss the firm’s statement of cash flows, operating cash flow, and free cash flow.</p> <p>LG 4 Discuss the cash-planning process and the preparation, evaluation, and use of the cash budget.</p> <p>LG 5 Explain the procedures used to prepare and evaluate the pro forma income statement and the pro forma balance sheet.</p> <p>LG 6 Evaluate the approaches to pro forma financial statement preparation and the common uses of pro forma statements.</p>	<p>Read Chapter 4</p> <p>Complete the Chapter homework and quiz on My Finance Lab</p> <p>Complete the portfolio assignment and post it on Blackboard</p> <p>Post on the discussion Board</p>
<p>Week 9 10/21 - 10/27</p>	<p>Chapter 5 Time value of Money</p> <p>LG 1 Discuss the role of time value in finance, the use of computational tools, and the basic patterns of cash flow.</p> <p>LG 2 Understand the concepts of future value and present value, their calculation for single</p>	<p>Read Chapter 5</p> <p>Complete the Chapter homework and quiz on My Finance Lab (note there is an excel assignment embedded in the Pearson MyLab work this week)</p> <p>Post on the discussion Board</p>

	<p>cash flow amounts, and the relationship between them.</p> <p>LG 3 Find the future value and the present value of both an ordinary annuity and an annuity due, and find the present value of a perpetuity.</p> <p>LG 4 Calculate both the future value and the present value of a mixed stream of cash flows.</p> <p>LG 5 Understand the effect that compounding interest more frequently than annually has on future value and on the effective annual rate of interest.</p> <p>LG 6 Describe the procedures involved in (1) determining deposits needed to accumulate a future sum, (2) loan amortization, (3) finding interest or growth rates, and (4) finding an unknown number of periods.</p>	
<p>Week 10 10/28 -11/3</p>	<p>Chapter 6 Interest Rates and Bond Valuation</p> <p>LG 1 Describe interest rate fundamentals, the term structure of interest rates, and risk premiums.</p> <p>LG 2 Review the legal aspects of bond financing and bond cost.</p>	<p>Read Chapter 6</p> <p>Complete the Chapter homework and quiz on My Finance Lab</p> <p>Post on the discussion Board</p>

	<p>LG 3 Discuss the general features, yields, prices, ratings, popular types, and international issues of corporate bonds.</p> <p>LG 4 Understand the key inputs and basic model used in the bond valuation process.</p> <p>LG 5 Apply the basic valuation model to bonds, and describe the impact of required return and time to maturity on bond prices.</p> <p>LG 6 Explain yield to maturity (YTM), its calculation, and the procedure used to value bonds that pay interest semiannually.</p>	
<p>Week 11 11/4 – 11/10</p>	<p>Chapter 7 Stock Valuation</p> <p>LG 1 Differentiate between debt and equity.</p> <p>LG 2 Discuss the features of both common and preferred stock.</p> <p>LG 3 Apply the basic valuation model to stocks, and describe the relevant cash flows and the impact of required return.</p> <p>LG 4 Understand the concept of market efficiency and how to value stocks using zero growth, constant-growth, and variable-</p>	<p>Read Chapter 7 Do chapter 7 homework No Quiz Complete the second test on chapters 4 -7</p>

	<p>growth dividend models.</p> <p>LG 5 Discuss the free cash flow valuation model and the book value, liquidation value, and price/earnings (P/E) multiple approaches.</p> <p>LG 6 Explain the relationships among financial decisions, return, risk, and the firm's value.</p>	
<p>Week 12 11/11 - 11/17</p>	<p>Chapter 8 Risk and Return</p> <p>LG 1 Understand the meaning and fundamentals of risk, return, and risk preferences.</p> <p>LG 2 Describe procedures for assessing and measuring the risk of a single asset.</p> <p>LG 3 Discuss the measurement of return and standard deviation for a portfolio and the concept of correlation.</p> <p>LG 4 Understand the risk and return characteristics of a portfolio in terms of correlation and diversification and the impact of international assets on a portfolio.</p> <p>LG 5 Review the two types of risk and the derivation and role of beta in measuring the relevant risk of both a</p>	<p>Read Chapter 8</p> <p>Complete the Chapter homework and quiz on My Finance Lab</p> <p>Complete the portfolio assignment and post it on Blackboard</p> <p>Post on the discussion Board</p>

	<p>security and a portfolio.</p> <p>LG 6 Explain the capital asset pricing model (CAPM), its relationship to the security market line (SML), and the major forces causing shifts in the SML.</p>	
<p>Week 13 11/18 - 11/24</p>	<p>Chapter 9 The Cost of Capital</p> <p>LG 1 Understand the basic concept of the cost of capital.</p> <p>LG 2 List the primary sources of capital available to firms.</p> <p>LG 3 Determine the cost of long-term debt, and explain why the after-tax cost of debt is the relevant cost of debt.</p> <p>LG 5 Calculate the required return on a company's common stock, and explain how it relates to the cost of retained earnings and the cost of new issues of common stock.</p> <p>LG 6 Calculate the weighted average cost of capital (WACC), and discuss alternative weighting schemes.</p>	<p>Read Chapter 9</p> <p>Complete the Chapter homework and quiz on My Finance Lab</p> <p>Post on the discussion Board</p>

<p>Week 14 11/25 -12/1 Thanksgiving Break</p>	<p>Chapter 10 Capital Budgeting Techniques LG 1 Understand the key elements of the capital budgeting process. LG 2 Calculate, interpret, and evaluate the payback period. LG 3 Calculate, interpret, and evaluate the net present value (NPV) and economic value added (EVA). LG 4 Calculate, interpret, and evaluate the internal rate of return (IRR). LG 5 Use net present value profiles to compare NPV and IRR techniques. LG 6 Discuss NPV and IRR in terms of conflicting rankings and the strengths of each approach.</p>	<p>Read Chapter 10 Complete the Chapter homework on My Finance Lab Enjoy Thanksgiving</p>
<p>Week 15 12/2 -12/8</p>	<p>Review and Your third test</p>	<p>Take the third test on Chapters 8, 9 & 10 by Sunday December 8th at 11:59pm Prepare your portfolio analysis paper for submission on Monday December 9th</p>

Week 16
Due
12/9//19

Final

**Your Portfolio project is due on 12/9/19 at
11:59pm – the class is officially over**