

FIN 3403: Business Finance

Spring 2020, CRN 12826
Lutgert College of Business
Department of Economics and Finance
Samuel Dedio

Course Description

A study of financial decision making in the corporate form of business organization. An analysis of the sources and uses of funds. Emphasis is placed on quantitative analysis of cash flows; financial statement analysis, working capital management; ratio analysis; capital budgeting techniques; short and long term financing; capital structure and value of the firm; and costs of capital.

Prerequisites

- ACG 2021, ACG 2071, ECO 2013, ECO 2023, CGS 1100, MAC 2233, and STA 2023, all with a minimum grade of “C”

Instructor Information

- Instructor: Samuel Dedio
- E-Mail: sdedio@fgcu.edu
- Office Hours: By appointment only. In addition, I will be available via phone at 239.206.3045 weekdays from 11:30AM – to – 12:30PM and Thursday evening 7:00PM – to – 8:00PM. If I don't answer, please text me your name and number and I will return your call the same day.

Required Resources

- TEXTBOOK. Essentials of Corporate Finance, 10th Edition, by Ross, Westerfield, and Jordan, McGraw-Hill.
- SOFTWARE. Students **are required to subscribe** to McGraw-Hill's Connect™ package for homework and online quiz administration. The link to McGraw-Hill's Connect website for our course will be displayed on the Canvas Syllabus tab for the remainder of the semester.
- CALCULATOR: A stand-alone **financial calculator** with no internet access or communication capability. Finance faculty recommends the TI BAII Plus (Professional model for Finance majors) because textbook and classroom demonstrations will be based solely on this device. **No other calculators are allowed – NO EXCEPTIONS. After purchasing the calculator, please spend time getting to know how to use it—read the user's manual. As we do time value of money concepts, you will need to be very proficient in using the calculator. Set the number of decimal places to “5.”**
- **Note: USE OF ALL OTHER ELECTRONIC DEVICES (phones, laptop computers, etc.) is PROHIBITED DURING CLASS. Please be respectful to your fellow students and instructor—avoid using your iPhones or Droids or any devices.**

- SCANTRONS. You will be required to provide scantrons for exams (Pearson NCS Test Sheet Form No. 95679). **We will always use the Blue Side. Students must bring the required Scantron form to each exam.**

Course Format & Class Meetings and

- Wednesday 7:30 p.m. – 10:15 p.m. @ Lutgert Hall 1202; see full agenda on page 6.
- **Chapters should be read BEFORE lectures.**
- Typical class session is a detailed review of homework assignments followed by a lecture of that week's assigned chapter, incorporating real-world, practical insights.
- **Final Exam – April 29th at 5:45PM**

Attendance Policy

- You should attend all class sessions and be prepared to participate with comments and questions on the material to be covered. **If you must miss a session, you should obtain notes from a classmate. You are responsible for knowing all material covered in class.** That includes new material, assignments, quizzes, exams, and changes to the syllabus. **Please read ahead of time the material assigned for that week.** Failure to do so will significantly impact your grade and your ability to follow the lecture in class.

“Late” and “Makeup” Work Policies

- No “late” or “makeup” assignments will be accepted. **NO EXCEPTIONS**

Quizzes / Homework /Exams **READ CAREFULLY**

- Quizzes/Homework: Quizzes/Homework (HW) will cover current material and will be listed on Canvas. **Homework will usually be problems assigned from the text but also may be assigned online (using McGraw-Hill’s Connect™). All homework assigned relating to the textbook (chapter problems) **MUST** be submitted to Canvas electronically—each assignment.** Do the problems and scan your work using the Microsoft Lense app (easy to use on phones) and save the scan as a PDF or if you type your homework, save it as a PDF and upload on Canvas. **THERE WILL BE NO EXCEPTIONS TO THIS POLICY.** Make sure to note the deadlines for homework submissions. **You will be “locked out” after the due date. Homework will be due 6PM the day of class (one hour prior to start unless otherwise noted). Quizzes can be impromptu in class or online via Connect.**
- **Missed quizzes/HW cannot be made up and will count as “0”, in accordance with department policy for all sections.** Online activities may be administered within a specified time window. Students are responsible to ensure access to the internet. Quizzes and homework scores are aggregated, and the two lowest scores are dropped in calculating the numerical grade for this 10% maximum segment.
- **A cell phone on a desk or in a student’s hand while a quiz is being administered will result in the student receiving a grade of 0 for that quiz. No exceptions.**

- EXAMS: Exams cover content drawn from the assigned readings, in-class discussions, and quizzes. Concepts carry over throughout the course. **The Final Exam is Comprehensive.** There are no make-up exams. The weight of one missed examination (#1, #2, or #3) will be added to the weight of the final examination. Missing a second exam, or the final exam, will result in a grade of zero for that examination. There is no option to drop an exam score once the exam has been taken. Exams may consist of true/false questions, multiple choice questions, and/or problems.
- **THERE ARE NO MAKE UP EXAMS.** The only exception is a medical or other emergency (death in the family, etc.). **If you do not notify the professor of the emergency at least 24 hours prior to the exam, you will not be allowed to make-up the exam – NO EXCEPTIONS.** If you are allowed to make up an exam, the weight of the missed examination will be added to the final examination. **There is no option to drop an exam score once the exam has been taken (or attempted).**
- In the interest of confidentiality of grades, individual exams are not reviewed in class. Once grades are posted, students may make an appointment with the instructor to review their exam. **Please do not email me asking what grade you received on an exam or quiz – I cannot provide you with any information via email or the phone.**

Grading Policy

- Tentative respective weightings for final grades include; will finalize by week 1.
 - Quizzes / Assigned Chapter Homework 7%
 - Ratio Analysis / Common Size / Semester Review Assignments 3%
 - Exam 1 20%
 - Exam 2 20%
 - Exam 3 20%
 - Final Exam 30%
- Each student's weighted average score (rounded to the nearest whole number) will determine the letter grade received at the end of the semester according to the following scale:
 - A – 90% or greater
 - B – 80% or greater
 - C – 70% or greater
 - D – 60% or greater
 - F – 59.99% or less

Technology Problems

- If a system error occurs within Canvas that results in a student not being able to complete a graded assignment (i.e. the Canvas system goes down), the student must notify the instructor immediately of the issue via email to document/time stamp the issue.
- The instructor will verify the problem with Canvas and notify the student of a solution.
- Students are responsible for resolving any other technology problems that may arise.
- The instructor provides no technical support.

Learning Outcomes

Learning Objective

1. Utilize financial accounting data to assess the financial health and direction of a firm.



Assessment Strategy

1. Exam questions that emphasize financial statement and ratio analysis, utilizing the income statement, balance sheet, and statement of cash flows.

2. Apply time value of money techniques to make multi-period investment decisions and security valuations.



2. Exam questions on present and future valuations of lump sums, annuities, and uneven cash flow streams; & on stock and bond valuation problems.

3. Use statistical analysis to quantify risk and return in uncertain economic environments.



3. Exam questions on determining expected rates of return, standard deviation of returns, and other applications of statistics to quantify risk and return assessments.

4. Forecast cash flows and apply capital budgeting decision techniques to make capital investment decisions.



4. Exam questions on cash flow forecasting methods and capital budgeting techniques, to include payback, net present value, and internal rate of return methods.

Course Role

- The FIN3403 Business Finance course should integrate and demonstrate the applied nature of your pre-requisite courses. Specifically, making financial decisions involves a thorough understanding of the development and use of financial statements (Accounting) as well as the impact of the state of the economy on the decision making process (Micro and Macro Economics). Further, financial decision making requires the analytical skills (Math & Statistics) needed to quantify risk and return parameters used in the process. Successful completion of the course should prepare students for the Capstone Business Strategy experience.

Think E.P.C.K.

The learning goals for Lutgert College of Business graduates can be summarized by thinking **EPCK**. Students should understand the business **Environment**, be effective **Problem** solvers, be effective **Communicators**, and have interdisciplinary business **Knowledge**. FIN3403 Business Finance is designed to further develop students' problem solving skills and demonstrate an integration of the economic, accounting, and finance disciplines.

Academic Behavior Standards and Academic Dishonesty

- All students are expected to demonstrate honesty in their academic pursuits. The university policies regarding issues of honesty can be found in the FGCU Student Guidebook under the "Student Code of Conduct" and "Policies and Procedures" sections. All students are expected to study this document which outlines their responsibilities and consequences for violations of the policy. The FGCU Guidebook is available online at <http://studentservices.fgcu.edu/judicialaffairs/new.html>.

Disability Accommodations Services

- Florida Gulf Coast University, in accordance with the Americans with Disabilities Act and the university's guiding principles, will provide classroom and academic accommodations to students with documented disabilities. If you need to request an accommodation in this class due to a disability, or you suspect that your academic performance is affected by a disability, please contact your instructor or contact the Office of Adaptive Services. The Office of Adaptive Services is located in Howard Hall 137. The phone number is 239-590-7956 or TTY 239-590- 7930.

Student Observance of Religious Holidays

- All students at Florida Gulf Coast University have a right to expect that the University will reasonably accommodate their religious observances, practices, and beliefs. Students, upon prior notification to their instructors, shall be excused from class or other scheduled academic activity to observe a religious holy day of their faith. Students shall be permitted a reasonable amount of time to make up the material or activities covered in their absence. Students shall not be penalized due to absence from class or other scheduled academic activity because of religious observances. Where practicable, major examinations, major assignments, and University ceremonies will not be scheduled on a major religious holy day. A student who is to be excused from class for a religious observance is not required to provide a second party certification of the reason for the absence.

Video and Audio Recording of Class Lectures

- Video and audio recording of class lectures is expressly prohibited unless the FGCU Office of Adaptive Services has documented a student's disability and determined a reasonable accommodation for the student is to allow recording and the student has executed a written agreement with the instructor regarding the limitations on use of such recordings and their disposition at the end of the semester.
- **Please do not take pictures** of my notes or materials that I put on the board or overhead; **all lecture powerpoints will be available via PDF on Canvas after each lecture.**

Additional Items

- **You must log into Canvas during the first week of class and complete the survey. If you do not do this, any financial aid that you may be entitled to will not be disbursed. This requirement applies even if you are not receiving financial aid.**
- The instructor's primary objectives for this course are:
 - to facilitate a positive and rich learning experience by providing a course structure that guides students through the timely and topical material.
 - to evaluate students' abilities to retain and express their learning of the material through graded learning assessments.
- **The burden of learning ultimately rests squarely on students' shoulders. READ THE CHAPTERS TO BE COVERED IN CLASS AHEAD OF TIME!**
- Students should make every effort to stay on top of the material and not get behind.
- Students who find themselves in need of additional assistance in understanding any of the concepts discussed in the course should notify me as soon as possible. I am available to discuss any concepts that need clarification.

- Counseling and Psychological Services (CAPS) provides free counseling and therapy services (including psychiatry) to all FGCU students. Please walk in to the second floor Howard Hall office any weekday between 8:30 and 4:30 to schedule an initial contact appointment. Visit the CAPS website at www.fgcu.edu/caps for more information. CAPS offers a 24/7 Helpline at (239) 745-3277 (EARS).

CLASS SCHEDULE & AGENDA **Spring 2020**

Read Assigned Chapters Before Class Meetings!

First Day of Class Jan. 8	WELCOME! COMPLETE CANVAS SURVEY & ASSIGNMENT 1 Chap 1 – Intro to Financial Management Chap 2 – Financial Statements, Taxes, and Cash Flows
Jan. 15	Chap 3 – Working with Financial Statements
Jan. 22	Chap 3 – Working with Financial Statements Chap 16 – Short-Term Financial Planning
Jan. 29	Ratio Analysis & Common-size Assignments Due 6PM Today Chap 16 – Short-Term Financial Planning / Review for Exam 1
Feb. 5	Review Chapter 16 Homework (30 mins) Exam 1: Chapters 1, 2, 3, and 16 Chap 4 – Time Value of Money
Feb. 12	Chap 4 – Time Value of Money Chap 5 – Discounted Cash Flow Analysis
Feb 19	Chap 6 – Interest Rates and Bond Valuation / Review for Exam 2
Feb. 26	Exam 2: Chapters 4, 5, and 6 Chap 7 – Equity Markets
Mar. 4	Spring Break – no class (read Chapter 10)
Mar. 11	Chap 7 – Equity Markets (Continued) Chap 10 – Capital Market History
Mar. 18	Chap 11 – Risk & Return / Review for Exam 3
Mar. 25	Exam 3: Chapters 7, 10, and 11 Chap 8 – NPV & Other Criteria
Mar. 27	LAST DAY TO WITHDRAW WITHOUT ACADEMIC PENALTY
Apr. 1	Chap 8 – NPV & Other Criteria Chap 9 – Capital Investment Decisions
Apr. 8	Chap 18 – International Finance (18.1, 18.2 and 18.3 only: pages 589 - 600) Chapter 12 – Cost of Capital
Apr. 15	Chapter 12 – Cost of Capital / Cumulative Review Assignment Due; Start Exam Review
Apr. 22	Review Cumulative Review Worksheet & Exam Review
Apr. 29	Final Exam 5:45 April 29th, 2020 LH 1202

Please do not use smart phones, iPhones, Droids, tablets, laptops, iWatches, smart watches or fitness trackers during class. These items must be inside your backpacks on exam days.

The instructor reserves the right to modify the above schedule as necessary.