BSE 2310 – FOUNDATIONS OF FINANCE
SPRING 2013

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OFFICE HOURS: Monday 1:30-3 PM, Tuesday and Thursday 2-3:45 PM

COURSE DESCRIPTION:

This course covers the concepts and techniques of financial management with an emphasis on for-profit, publicly-traded corporate entities. The major focus of this course will be on valuation techniques, project analysis, the effects of markets on rate structure, and corporate financial structure. Specific topics include the time value of money, discounted cash flow techniques, internal rates of return, management of working capital, financial analysis, capital budgeting, capital structure, cost of capital, dividend policy and valuation techniques. The course will also cover acquisition and allocation of short and long-term capital. While highly quantitative in nature, this course stresses problem-solving processes, specifically in a financial context. Included in this, especially in light of North Park's Christian heritage, we will explore how ethical considerations have affected financial decision-making and theory throughout history.

COURSE OBJECTIVES:

By the end of this course, students will be able to:

1. Demonstrate a working knowledge of the theories of finance
2. Describe the composition of different market rates
3. Apply the principles of time value of money and valuation to analyze business decision making
4. Compute present values and future values of cash flows
5. Compute net present value internal rates of return
6. Estimate probability distributions of rates of returns on individual investments
7. Apply specific analytical methodologies in connection with asset pricing models
8. Relate financial theories to current events and real-world examples
9. Recognize the importance of finance as an input into the business decision-making process
10. Integrate ethical considerations and Christian values into all business examples involving financial theory and capital management

REQUIRED MATERIALS:

Kamienski, A.L. Foundations of Finance. ISBN: 9781121188747. *Note: this is a custom text available only in the North Park Bookstore intended to save text materials costs.*

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COURSE SCHEDULE:

Week	Dates	CH	Readings for the Week	Deliverables
1	1/15 1/17	1 3	Goals and Governance Accounting and Finance	 21,23,27
2	1/22 1/24	4 5	Measuring Corporate Performance Value	1,6 2,5,6,7,13
3	1/29 1/31	5	Value	20,22,23,25 35,39,40,45
4	2/5 2/7	5	Value Review	51,52,63,78
5	2/12 2/14	 6	Test 1 Valuing Bonds	**Test 1** 1-6,10-12
6	2/19 2/21	6 7	Valuing Bonds Valuing Stocks	18-20,23,24 4,6,8,10-13
7	2/26 2/28	7	Valuing Stocks Review	20,21,23,24,27,29,30
8	3/5 3/7	 8	Test 2 Net Present Value	**Test 2** 1-4, 9, 10
9	3/19 3/21	8	Net Present Value	12,13,16 17,19,31
10	3/26 3/28	9	Using DCF	1,3,5,10,23 24,26
11	4/2 4/4	9	Using DCF	Custom problems
12	4/9 4/11		Review Test 3	 **Test 3**
13	4/16 4/18	12	Risk, Return and Capital Budgeting	5,10,12 13,15,21
14	4/23 4/25	13	The Weighted Average Cost of Capital	2,3,5,8,9 16,17
15	4/30 5/2	12 13	Review	
16	5/9 5/12		Test 4, 1– 3 PM	**Test 4** **9 AM, Paper Due**

GRADING POLICIES:

Deliverable Weights

Test 1	15%
Test 2	25%
Test 3	25%
Test 4	15%
Research Paper	20%

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Deliverable Descriptions

Tests will be performed entirely in Excel and will cover all material in the text, with a particular emphasis on the content covered in course lectures and problems assigned for homework. The tests will generally consist of a number of types of questions but will largely consist of problems mimicking the homework problems prepared for class. Other questions could include fill in the blank or graphing. The emphasis of this course is largely quantitative. Our goals are related to knowledge, comprehension, and application of the baseline financial theories and practices. Although the nature of this class is quantitative, it is our qualitative collaboration that makes learning meaningful.

The Research Paper is a detailed examination of the financial results of a for-profit, publicly-traded enterprise. Detailed instructions for this project are posted on Moodle.

Grading Conditions

All written submissions, particularly the research project, will be graded based on:

1. Content (60%) – the accuracy and representation of the appropriate knowledge and descriptors in context for the course
2. Organization (20%) – the logical selection and presentation of a written format that articulates a lucid and logical explanation of ideas
3. Grammar – (10%) the quality of the document relative to its spelling, grammar, punctuation and word choice.
4. Style – (10%) the creative element of writing which gives the document a certain professionally-appropriate differentiated readability

Tests cannot be made up or turned in late unless prior permission is obtained.

Extra credit is not available at any time in this course.

Grade Determination

Note: The final grading scale may be adjusted depending upon aggregate performance.

≥ 91	A
= 90	A-
= 89	B+
≥ 81	B
= 80	B-
= 79	C+
≥ 71	C
= 70	C-
= 69	D+
≥ 61	D
= 60	D-
<59	F

The detailed components of your grade will be posted to Moodle. It is your responsibility to audit regularly for accuracy. Final grades will be made available within a week upon the completion of the course and are found in WebAdvisor.

All grades are final and not subject to debate.

ATTENDANCE POLICIES

Attendance and participation are vital; thus, students are expected to attend every session. On time arrival is expected. Tardiness is highly undesirable. This course has a strict policy of documented, advance notification. If unable to attend any session, please inform me, preferably via email, prior to that session. You need not provide a reason for your absence. In the business world, you would never miss a meeting without prior notice; and, if you did you could be terminated from your job. I expect you to apply that same courtesy to us and our class and I will expect you to make every effort to adhere to this policy. Failure to provide advance notification will be considered an unexcused absence.

In the event of excessive unexcused absences tardiness, I reserve the right to lower your grade up to one full letter grade. I take this policy very seriously.

In the event you cannot make class, regardless of the reason, you are to:

1. Check the syllabus
2. Confer with a classmate
3. Check Moodle
4. Research the missed content online
5. Come to office hours or make an appointment to discuss

COMMUNICATION POLICIES

Communication skills are a major part of your development. As this course is in the School of Business and Nonprofit Management, I expect our email exchanges to reflect professional business communications. Therefore, every communication you send should be highly professional and 'client-ready.' This means formatted and edited for 100% accuracy in spelling, grammar, punctuation, and word choice. I will not respond to any email that is not completely accurate.

I check email regularly and late into the evening. If I do not respond within one business day, you may take my lack of response as your responsibility to edit and resend your communication. This policy is strictly enforced.

When authoring an email, please use an appropriate subject which is indicative of the contents of the message, for example, "Impending Absence, October 23."
Your primary point of reference is this syllabus. Please read it in detail before approaching me with queries contained therein. Please do not be offended if my response to your

inquiry is, "Please refer to the syllabus." Moodle and fellow classmates are also good sources for basic questions.

When contacting me, my preferences are:

1. Email at any time
2. Office hours or make a face-to-face appointment
3. Voicemail message

For substantive communications, please see me in my office or make a special appointment in order to discuss in person. Additionally, as a follow up, it is your responsibility to document and send to me by email all significant arrangements and agreements made. I seldom recollect things said to me orally, so please follow up all significant exchanges with an email backup.

TECHNOLOGY POLICIES

All students are expected to check their North Park email regularly (outside accounts such as Hotmail and Gmail are often sent into a spam folder). I send significant information via email and expect all students to have read them. If you do not use your North Park email address, please make sure email is being forwarded properly.

All students are expected to access Moodle. All grades and critical directions for assignments will be posted there. This is the official register for all grade-related issues. Check and audit grades regularly.

Misuse of cell phones or laptops in class will be penalized subjectively.

ETHICS POLICY

In keeping with our Christian heritage and commitment, North Park University and the School of Business and Nonprofit Management are committed to the highest possible ethical and moral standards. Just as we will constantly strive to live up to these high standards, we expect our students to do the same. To that end, cheating of any sort will not be tolerated. Students who are discovered cheating are subject to discipline up to and including failure of a course and expulsion.

Our definition of cheating includes but is not limited to:

1. Plagiarism – the use of another's work as one's own without giving credit to the individual. This includes using materials from the Internet.
2. Copying another's answers on an examination.
3. Deliberately allowing another to copy one's answers or work.
4. Signing an attendance roster for another who is not present.

In the special instance of group work, the instructor will make clear his/her expectations with respect to individual vs. collaborative work. A violation of these expectations may be considered cheating as well.

For further information on this subject you may refer to the Academic Dishonesty section of the University's online catalog.

In conclusion, it is our mission to prepare each student for a life of significance and service. Honesty and ethical behavior are the foundation upon which such lives are built. We therefore expect the highest standards of each student in this regard.

STUDENTS WITH DISABILITIES

Students with disabilities who believe that they may need accommodations in this class are encouraged to contact the Center for Academic Services at 773-244-5737, advising@northpark.edu or stop by the office located on the 2nd floor of the Student Services Building. Please do so as soon as possible to better ensure that such accommodations are implemented in a timely manner. For further information please review the following website: http://www.northpark.edu/ada.

Accommodations for disabilities must be made prior to exams or to assignments.

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Appendix A – Top Ten Suggestions for Success

1. Resources - Read the syllabus, know all the policies, especially Attendance and Communications. Refer to the Course Schedule frequently.

2. Resources - Use all available, including the readings, classmates, professor, Internet and web sites that support the course.

3. Effort - Attend every scheduled class. Be punctual. If unable, follow the Attendance Policy in the syllabus.

4. Effort - Put forth at least 100% effort in everything associated with your name. 110% is available.

5. Effort - Be prepared and actively engaged by taking notes, following along readings and asking questions.

6. Effort - Be a leader. Know your grade at all times. Get to know your professor in office hours.

7. Communication - Communicate professionally according to the Communication Policy in the syllabus.

8. Communication - Use your North Park email account.

9. Attitude - Do not take anything personally, except praise.

10. Attitude - Have fun. Laugh. Help others have a good time.