

**BSE 2310 – FOUNDATIONS OF FINANCE
FALL 2014**

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OFFICE HOURS: Mon. 12:30–2:30 PM, Tues./Thurs. 2:00-3:30 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.	Topic	Deliverables
1	8/26 8/28	1 4 5	Goals and Governance; Measuring Corporate Performance Value	2,5,6,7, 13
2	9/2 9/4	5	Value	13,20,22,23, 25
3	9/9 9/11	5	Value	35,39,40,45 51,52,63,78
4	9/16 9/18	5	Test 1 Review Test 1	Test 1 Review Test 1
5	9/23 9/25	6	Valuing Bonds	1-6,10-12
6	9/30 10/2	6 7	Valuing Bonds Valuing Stocks	18-20,23,24 4,6,11-13,
7	10/7 10/9	7	Valuing Stocks Test 2 Review	20,23,24,27,29,30 Test 2 Review
8	10/14 10/16	8	Test 2 Net Present Value	Test 2 1-4, 9, 10, 12,13
9	10/21 10/23	8 9	Net Present Value Using DCF	16, 17,19,31 1,3,5,10,
10	10/28 10/30	9	Using DCF	P.A. Specials
11	11/4 11/6	9	Using DCF Test 3 Review	P.A. Specials Test 3 Review
12	11/11 11/13	12	Test 3 Risk, Return and Capital Budgeting	Test 3 5,10,12
13	11/18 11/20	12 13	Risk, Return and Capital Budgeting The Weighted Average Cost of Capital	13,15,21 2,3,5,8,9
14	11/25 11/27	13	The Weighted Average Cost of Capital No Class – Happy Thanksgiving!	16,17
15	12/2 12/4		Test 4 Review	Test 4 Review
16	12/10		FINAL EXAM PERIOD, Test 4, 1-3 PM	Test 4

GRADING POLICIES:

Deliverable Weights

Tests (4 @ 25 % each)

100%

Deliverable Descriptions

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

Grading Conditions

All written submissions, 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. In the event of a reschedule,

1. Inform me of your request to take the test on an alternate date
2. Contact either Ida Eriksson ieriksson@northpark.edu or Mari Lamp melamp@northpark.edu to schedule.
3. Inform me via email of the date and time you have scheduled.

Extra credit is not available upon request.

Grade Determination

Note: The final grading scale may be adjusted depending upon aggregate performance. Any deviations will be announced in conjunction with final grade assignment.

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

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The detailed components of your grade will always be posted in Moodle. It is your responsibility to audit regularly for accuracy and to request corrections. 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

I assume that students are adults and will make the appropriate decisions regarding attendance. If students choose to attend, I strongly advise preparation, timeliness and attentiveness. If the choice is not to attend, I recommend notifying me in advance. If a pattern of disrespectful attendance persists I reserve the right to adjust the student's grade in consequence.

In the event of non-attendance:

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

I expect written exchanges to reflect proper business communication. Every message should be highly professional. This means formatted and edited for 100% accuracy in spelling, grammar, punctuation, and word choice. When authoring an email, please use an appropriate subject which is indicative of the contents of the message, for example, "Request for Rescheduling Test 1 to 9/15." I will not respond to any email that is not completely accurate or fails to meet all the criteria listed above. This policy begins immediately and lasts indefinitely.

I check email regularly and late into the evening. If I do not respond within one business day, my lack of response is the signal to edit and resend the message. This policy is strictly enforced. Periodically I will use examples of your communications for in-class learning purposes unless you expressly request for me not to do so at the beginning of the semester.

The primary point of reference is this syllabus. It should be read in detail before approaching me with queries for which the syllabus contains the answer. Please do not be offended if my response is, "Please refer to the syllabus."

When contacting me, my preferences are:

1. Email at any time
2. A face-to-face appointment in my office hours or specially arranged
3. Text message*

*Please note: My communication policy extends to text messaging. Practice discretion as relates to the time and content of texts. Texting should be reserved for short, appropriate messages and updates, such as "I am running late." Substantive communication should be sent via email.

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As a follow up to all our substantive conversations, it is the student's responsibility to record any and all arrangements and agreements made. I seldom recollect things said to me orally, so an email documenting our conversation needs sent.

TECHNOLOGY POLICIES

Cell phone, laptops, tablets, etc. are all allowed to be used in class provided they are not a distraction to the student or class. If I sense that these devices are preventing a student's or the class's learning I reserve the right to restrict their use at any time. Misuse of cell phones or laptops in class will be penalized subjectively.

*Please note: section of the Communications Policy for use of my cell.

All students are expected to check their North Park email accounts regularly. I send significant information via email and expect all students to be current. Sending from North Park email accounts is highly recommended as external email systems often get spammed.

All students are expected to access Moodle regularly. Announcements, examples, assignment directions, links and other documents will be posted there. Moodle is also the official register for all grades.

ACADEMIC HONESTY

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 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.

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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/Campus-Life-and-Services/Disability-Resources>.

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, Moodle, WebAdvisor and web sites that support the course.
3. Effort - Attend every scheduled class. Be punctual. Be an active learner.
4. Effort - Put forth at least 100% effort in everything associated with your name. 110% is available. Creativity is highly encouraged.
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.