

UNIVERSITY OF ILLINOIS AT CHICAGO
COLLEGE OF BUSINESS AND ADMINISTRATION
Department of Finance - Fall 2012
FINANCE 300 SYLLABUS
CRN 32674

INSTRUCTOR: M. R. BROWN

OFFICE: 2330 UH

PHONE: 312 996 4552

OFFICE HOURS: Tuesday

3:45-5:30 after Week 2

Appointment Signup on

Office Door

EMAIL: mrb@uic.edu

EMAIL HOURS: Mon-Thurs (until 8p.m).

Saturday (1-5 p.m.)

TEACHING ASSISTANT:

OFFICE:

HOURS: _____

Financial



PLEASE BRING A CALCULATOR TO EVERY CLASS. (You do not need a financial calculator.) It is strongly recommended that you have a backup calculator and keep extra batteries on hand during exams. BUY EXTRA BATTERIES NOW! Target, Ebay, etc. can provide you with a cheap backup calculator.



TEXTBOOK: Financial Management: Core Concepts

By Raymond M. Brooks 2nd Edition; ISBN 978-0-13-267103-3

While we may not make frequent use of the textbook in class, it is a necessary purchase. Because introductory finance, unlike accounting or economics, is a one semester course, you will be asked to use the text to read the theory behind the applications that we will cover in class.

<u>COURSE REQUIREMENTS:</u>	2 exams	60% (30% each)
	Last Exam	40%

COURSE DESCRIPTION: *This course covers the power of and impact of financial management on business profits; the relationship between risk and return in financial decision-making, alternative sources of raising corporate funds and optimal utilization of assets.*

LEARNING OBJECTIVES:

By the end of this course, you should be able to do the following:

- \$ Read and understand stock/bond/funds/futures quotes in financial press.
- \$ Understand and interpret financial indices such as DJIA, S&P 500.
- \$ Use time value of money techniques for personal/corporation financial planning
- \$ Analyze/evaluate corporate financial statements.
- \$ Understand and use the appropriate methodology for long term investment decisions.
- \$ Evaluate and value financial assets.
- \$ Make lease or buy decisions.
- \$ Be more adept at analytical/critical thinking.
- \$ Think "outside the box".
- \$ Have an appreciation for how the discipline of finance fits in with other business disciplines.
- \$ Appreciate and understand the importance of credit management on a personal and corporate level.
- \$ Understand the importance of management of capital structure, both from a corporate and personal point of view.



TEACHING METHODOLOGY:

This is a very RIGOROUS, but entertaining course in the basic principles of finance. It requires taking notes during class lectures and taking notes during the reading assignments.

The sources of learning are fourfold in this class:

- Class Lectures
- Text Reading Assignments
- Practice Problems
- Text Homework Assignments

THIS IS NOT A PASSIVE CLASS and there are no shortcuts to learning. The successful student must be ACTIVELY involved in his/her assimilation of the material. Successful assimilation of the material means a time commitment outside of class of, at least, 6 hours per week. COPIES OF LECTURE NOTES ARE NOT ONLINE OR AVAILABLE TO STUDENTS. Material will be presented in lectures, that is not in the textbook.

GRADING:

90 - 100%	A
80 - 89%	B
70 - 79%	C
60 - 69%	D
Below 60%	F

Note: Curve is not a word that exists in my vocabulary, but there will be opportunity for a maximum of 30 extra credit points: 10 points for the portfolio management simulation sponsored for the Finance and Investment Group, a student finance organization; 10 points for attending an ethics lecture and 10 points for attending a special "once a semester" program sponsored by the Finance and Investment Group. Information about the latter will be provided during the term.

IMPORTANT: There is no such thing as "extra" extra credit points. At the end of the term, students "at risk" often ask for extra work so they can pass the class, graduate, etc. I CANNOT DO THIS!! Anything I offer one student, I must offer to all students. If you find yourself in danger of not passing the class, you will know this by the second test. Come and see me....I can help you, but if you wait until the end of the term, there is nothing I can do except give you the grade you have earned. I am fully aware of the difficult situations, financially, family, etc. that you may find yourselves facing, but these days, all of us are facing or dealing with problems that impact your performances as students and even my performance as a teacher. My mantra, and I recommend it, is "DO YOUR BEST" and ask for help immediately.

HOMEWORK: The text-based homework assignments are listed in this syllabus and are drawn from the problems at the end of the chapter. Students are strongly encouraged to read over the questions at the end, as well, to test their understanding of the material. Homework will not be collected. It is, however, the student's responsibility to complete his assignments as all exams will be based on reading and homework assignments, practice problems and lecture material.

The Instructor's manual which shows the step by step solution of the problems from the textbook is available through Blackboard. The instructor may provide other materials through class handouts, documents on Blackboard, E-Reserves, as well as other sources.

PRACTICE PROBLEMS, based on lecture material which may or may not be covered in the textbooks, are available on Blackboard. **STEP BY STEP SOLUTIONS ARE NOT, REPEATING, NOT AVAILABLE** for these problems. These problems really test how well the student understands the lecture material. Both the instructor and teaching assistant are available for help with these problems. Due to time constraints, homework problems will not be worked out during class. However, the Instructor is available during office hours and by email, for less complicated questions. Homework of any kind is not collected or graded.

JOBS VS CLASSES: MANY STUDENTS, ESPECIALLY TRANSFERS FROM THE TWO YEAR COLLEGES, TEND TO THINK THAT THEY CAN CONTINUE THEIR PRACTICE OF WORKING 30-40 HOURS AND TAKING A FULL LOAD OF COURSES. DO NOT EVEN CONSIDER THIS!!! Even working a maximum of 20 hours with a full class load is difficult.

EXAMS: Exams will be given 4 times during the term. The purpose of these exams is to give both the student and the instructor feedback on how well the course material is being assimilated. The lowest grade for Exams 1-3 will be dropped. A grade of zero will be entered in the event of an absence on a date a exam is given. **EVERYONE MUST TAKE EXAM #4** which will be given on the last day of class. Thus, students can miss only one exam. Save the drop exam for emergencies such as illnesses, accidents, work conflicts, babysitting problems, court dates, weather related delays, etc.

NO MAKE-UP EXAMS WILL BE GIVEN, WITH THE EXCEPTION OF EXAM #4. NO EXCEPTIONS!

Documentation, i.e. written medical excuse for the date of Exam #4, will be required to make up Exam #4. Tentative exam dates are listed in this syllabus, with the emphasis on tentative. Do not make permanent commitments, such as airline tickets, based on these dates. **EXAMS ARE NEVER GIVEN EARLY OR LATER THAN THE DATE ULTIMATELY DETERMINED BY THE PROFESSOR.** Again, dates for exams that are given at the end of this syllabus are guidelines. Do not buy plane tickets, plan weddings, etc. based on these dates!! They are very likely to be changed. If you have a special occasion coming up, notify the instructor at the beginning of the term.

Special Note to Students in Athletics: *Be sure to show me your game schedule. I will do my best to reschedule exams for the class around game schedule.*

Special Note to Students about Religious Holidays: *I will definitely need to know ASAP about these days. Please inform me at the beginning of the term, so I can make the necessary adjustments in the exam schedule. If you do not notify me by the end of the third week of class, as much as I would like to, I am not required to accommodate you.*

BE SURE TO READ THE EXAM PROTOCOL ON THE NEXT PAGE OF THIS SYLLABUS!!!

STRONGLY ENCOURAGED:

The student should do a time budget in much the same way a money budget would be done: hours available during the week are 168 (24 x 7). Start subtracting sleeping, eating, hygiene, transportation time, class time and work time and you will be surprised at how little time is left. Time is your most valuable asset. Unlike money, it cannot be replaced.

EMAIL:

Much of the communication between the Instructor and the class will take place via email. **CHECK YOUR EMAIL DAILY!!** Check the announcement section of the Blackboard site for the class. "I forgot to check my email" is not a valid excuse for anything related to this course. If you do not have home access to email, arrange with another student in the class for information exchange by phone. If you do not have home access to email, notify the instructor and the College of Business may be able to make some arrangements for you.

PLEASE DO NOT USE EMAIL AS A SUBSTITUTE FOR SEEING ME DURING MY OFFICE HOURS. ASSISTANCE BY EMAIL FROM MY HOME IS A COURTESY, GIVEN MY AVAILABILITY, NOT A RIGHT. Rule of thumb for email: if I cannot answer your question in two minutes, then please come to the office or see me before/after class. I get hundreds of emails per day.

EXAM PROTOCOL:

ALL BOOKBAGS, PURSES, ETC., MUST BE IN THE FRONT, BACK OR SIDE OF THE CLASSROOM OR IF SPACE IS LIMITED, MUST BE CLOSED AND UNDER YOUR SEAT.

1. ONLY THE PROFESSOR CAN ANSWER QUESTIONS AND THIS WILL BE DONE STRICTLY BY WRITING. YOU WRITE YOUR QUESTION ON PAPER HANDED TO YOU BY THE PROFESSOR AND YOUR QUESTION WILL BE ANSWERED ORALLY.
2. CHECK OVERHEAD FOR CORRECTIONS TO THE EXAMS.
3. BRING A PICTURE ID (ONE WITH A VISIBLE PICTURE) TO EACH EXAM. YOU WILL BE "CARDED"!
4. *BRING A CALCULATOR FOR EACH EXAM. ONLY CALCULATORS MAY BE USED DURING THE EXAM. HAND-HELD COMPUTERS ARE NOT ACCEPTABLE. YOU MAY USE COMPUTERS DURING CLASS FOR CLASS NOTES.*
5. ALL COMMUNICATION DEVICES MUST BE PUT AWAY DURING EXAMS: INCLUDES CELL PHONES, EARPHONES AROUND NECK, ETC. FAILURE TO DO SO WILL BE CONSIDERED ACADEMIC DISHONESTY.
6. I REPORT EXAM DISHONESTY AND SEEK THE MAXIMUM PENALTY....NO MERCY!! I EXPECT STUDENTS IN CLASS TO ADHERE TO THE CBA HONOR CODE AND REPORT ACADEMIC DISHONESTY.
7. A formula sheet may be used during the exams. The formula sheet must be no larger than 8.5 inches by 11 inches, the standard size of a piece of American printer sheet, i.e. no European sized paper. Both front and back may be used for formulas, notes, etc. Nothing may be "hanging" off the formula sheet, i.e., no layering. The sheet will be checked at each exam. Violation of this will result in a zero grade for that exam, plus possible appearance before the Student Judiciary Committee for academic dishonesty.
8. The solutions to the exams are not uploaded to Blackboard. They are posted on the professor's office door. You have the right to question your grade; please see me in the office if you have questions, not my Teaching Assistant.

ACADEMIC ACCOMMODATIONS:

If you believe that you have a disability that will inhibit your performance in this class, please notify the professor no later than the first week of class or notify the Office of Disability Services in the SSB. We will work together to see that reasonable accommodations are secured.

BLACKBOARD: Assignments will be posted on Blackboard and communication between the Instructor and the class, outside of class and office hours, will be via Blackboard and email. Make sure the Registrar has an email address for you. A uic.edu address is preferred. **YOU ARE RESPONSIBLE FOR REGULARLY CHECKING YOUR EMAIL!!**

IMPORTANT: You should use your UIC email addresses. Our mail servers tend to have problems with Hotmail and Yahoo.

TUTORING:

1. The College of Business provides tutoring in finance. The schedule for these tutors is handled by staff on the 11th floor of University Hall. One problem, however, is that the tutor may not have been a student of mine in which case, he/she may not be able to help with some parts of the course not covered by other instructors. Note: there is a special sign up procedure for CBA tutoring. The tutor will be invited to class early in the term to explain how to sign up online.
2. The instructor and the teaching assistant(s) are happy to provide assistance during office hours. Remember to consider these office hours when determining your work schedule.

CLASS POLICIES

1. The lectures may not be taped or distributed without the express permission of the instructor. All class material is copyrighted by the instructor.
2. Be on time....lectures will start promptly at the beginning of class. This is the kind of course where missing the first few minutes can make it very difficult to follow the rest of the lecture. If you are repeatedly tardy and your late arrival disrupts the class or disturbs other students, you could be removed from the class. If there is a valid reason for consistent tardiness, please consult with the instructor.
3. In particular, be on time for exams. Extra time will not be granted for tardiness. The exams will usually take the entire period.
4. You may bring soft drinks and reasonable food items to class. Please remove all trash after class ends.
5. If you need help, you are always welcome to see the professor or teaching assistant(s) for clarification of the lecture material, homework, or practice problems. The course is difficult, but enjoyable.

6. Attendance is very important as the lectures include material not found in the text. You are responsible for securing any handouts, notes, etc. in the event of an absence. *It is strongly suggested that you get the telephone numbers/email addresses of several class members in the event of absence. Do not ask the instructor for copies of class notes.*
7. Conversation during the lectures will not be tolerated. You will be asked to leave the room or could be dropped from class.
8. Incompletes are granted only in the most extenuating circumstances, so please pay attention to the University drop dates. An incomplete grade does not erase work already completed; it only allows you extra time to complete the course when extenuating circumstances prevent you from doing so with the rest of the class. Once granted an incomplete, the course must be completed with the Instructor, not with another instructor teaching a similar class.
9. Turn off the buzzers/ringers/alarms of your cell phones/pagers, etc. while you are in class. If they disturb the class, you will be asked to leave.
10. The class schedule/content cannot be adjusted to accommodate individual work schedules.



LECTURE TOPICS/READING ASSIGNMENTS:

<u>WEEK:</u>	<u>TOPIC</u>	<u>CHAPTER</u>
1,	Introduction/Personal Credit Management Get Your Free Credit Report using ONLY the website given in class.	Lecture, Chapter 1
2	Security Markets/Stock Quotes	Chapter 7: Sections 7.1, 7.2 Lecture
3	Stock quotes/Bond Quotes	Chapter 6, Lecture; p 148-149
4	Introduction to Futures	Lecture; Online PPT Lecture on Futures on BB
5	Mutual Funds/Financial Statements	
6	Exam I/Financial Statements	Chapter 2, 14
7	Financial Statements/Time Value of Money	Chapter 3
8	Time Value of Money	Chapter 4, Lecture
9	Time Value of Money/Bond Valuation Intro to Stock Valuation	Chapter 6; Online PPT Lecture on Bond Valuation
10	Exam II/Stock Valuation	Chapter 7: pages 192-end of chapter
	Risk and Return	Chapter 8: Sections 8.8 and 8.9
11	Capital Budgeting	Chapters 9

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12	Capital Budgeting
13	Exam III/Thanksgiving
14	Lease vs. Buy Cost of Capital
15	Catch - up or Review/Exam IV

Chapter 10
Lecture
Online Lecture for Leasing
Chapter 13

Text Homework Assignment by CHAPTER:

<u>Chapter</u>	<u>Problems</u>
1	No problems
2	1-6
3	4-30 (even)
4	6-32 (even)
5	1-12
6	1-12, 19
7	5, 6
8	No problems in text
9	1, 7, 9, 10
10	2, 4, 6, 15, 17
11	1, 3, 5, 7, 10, 15
14	2, 4, 13



Important Dates:

Exam I: October 2, 2012

Exam II: October 23, 2012

Exam III: November 20, 2012

The above dates are tentative and subject to change at the discretion of the professor.

Exam IV: December 6, 2012

Note: The date of Exam IV is definite; last exam is on last day of class, not during finals week.

With the exception of Exam IV, these dates may be adjusted as needed by the professor.

Everyone must take Exam IV; this exam cannot be dropped. Only one of the first three may be dropped. Again, a reminder, no make up exams are given with the exception of Exam IV. Documentation is required and the exam is given at the convenience of the professor.

NOTE: The professor reserves the right to amend this syllabus as necessary.

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