

# FIN 331: Business Finance I

Spring 2018 (Sections 4 & 5)

## Basic Information

**Instructor:** Colin Swaney

**Meeting Time:** MWF 11:00-11:50 PM (Section 4), MW 2:00-3:15 PM (Section 5)

**Location:** Holman 39 (Section 4), Holman 133 (Section 5)

**Office Hours:** MW 3:30-5:00 PM

**Email:** cswaney@bus.olemiss.edu

## Course Description

This course provides an introduction to business finance. It emphasizes the financing and investment decisions of financial managers. Topics include the time value of money, asset valuation, risk analysis, financial statement analysis, and capital budgeting. Prerequisites: ACCY 202; ECON 202, ECON 203, and ECON 230 or BUS 230.

## Learning Objectives

The aim of the course is to provide an overview of the basic concepts and principles of financial management. Students will develop a toolbox of skills that they can use to understand the decision-making process of financial managers. We will emphasize both the mathematical tools of financial decision making as well as the concepts necessary to apply those tools. Some specific outcomes include:

1. Understand the goals of financial management within a corporation.
2. Demonstrate the use of financial ratios to analyze firm performance.
3. Learn how to apply the concept of the time value of money.
4. Comprehend and practice basic valuation methods for stocks and bonds.
5. Make sense of relevant concepts and measures of risk in financial settings.
6. Define and be able to calculate the weighted average cost of capital.
7. Discover how to estimate and evaluate cash flows for a proposed project.

## Course Materials

Lecture notes, in-class activities, and practice problems will be available on the course website: <https://cswaney.github.io/teaching/fin331>. In addition, every student will need to purchase:

- Texas Instruments BAI-Plus Financial Calculator
- *Fundamentals of Financial Management, Concise 9th ed.* (including Cengage Learning with MindTap®). ISBN: 978-1337087544

The registration link for MindTap is: MTPQ-5J2P-HSZL

## Lectures

Lectures, and the associated slides, are the primary resource in this course. As such, I ask that you be respectful of your fellow students by not talking during lectures. If you have a question, please

ask me directly. The use of laptops, tablets and smart phones is prohibited during lectures: students that fail to comply with this policy will be asked to leave. My recommendation is that students print out the lecture slides before class, and take notes or fill in additional details during class.

## Activities (20%)

Approximately half of our class time will be spent working in groups on in-class activities that are designed to help you learn by doing. Attending class—and coming *prepared* to class—is therefore essential. Taken seriously, these activities will help you prepare for exams and make real-world financial decisions. The activities often involve collecting and analyzing financial data, and you should therefore bring a laptop or tablet to class, if possible. There are a few additional and important policies regarding the assignments:

- Group members must attend class to receive credit.
- Write the names of any missing group members on each assignment.
- Activities are due at the end of class unless stated otherwise.

With the exception of the capstone assignment, I will grade assignments on a check/check-plus/check-minus grading scale, which means that on each assignment you can receive a grade of A, B, or C points (or F, if you do not attend class). The best way to receive check-plus grades is to confirm your work with me during class, or during office hours (if we are unable to finish during class).

## Exams (80%)

There will be one midterm exam (40% of your overall grade) and a final exam (40% of your overall grade). The midterm exam will take place at your regular class time and location. The date and location of the final exam will be announced later in the semester. I will provide a formula sheet for both exams, and I plan to hold review sessions before both exams. If you know that you will be absent the day of an exam due to a university sanctioned event, or if you require special test accommodations, please inform me in person at least ten days before the exam date.

## Grades

Final grades will be determined according to the following distribution:

I reserve the right to reduce the threshold for any grade level. Historically, the typical distribution of grades in my class is approximately 5-10% A's, 25-30% B's, 50-60% C's, and 5-10% D's and F's.

A	> 90%
B	80-90%
C	70-80%
D	60-70%
F	< 60%

## Tips & Advice

Do the following, and you will not have trouble passing the class:

- Learn the lingo. Students often struggle because they do not understand what questions are asking. Investopedia is a good source of definitions.
- Do the practice problems. Focus on understanding the logic of problems and the process of solving them. What are the necessary steps? Why are they the necessary steps?
- In-class group activities provide a good opportunities to ask and answer questions: use this time wisely.
- Do not try to memorize your way through the course.
- Come to class!

## Course Policies

**Exams** Please be aware of the following exam rules:

- Students must take exams with their assigned section.
- No make-up exams, except with a valid and documented excuse.
- A valid student ID is required to take exams. If you do not present your student ID, you may not receive credit on the exam.
- Students must arrive within the first fifteen minutes of the exam. Students arriving after the first fifteen minutes will not be allowed to sit for the exam.
- Partially completed exams will be graded as attempted exams. Leaving the exam room without submitting your exam is considered academic dishonesty.
- Only one financial calculator is allowed during the exams.
- Calculator covers must be removed and put away during exams.
- Electronic devices (other than a calculator) are prohibited during exams.
- Hats are prohibited during exams.

**Academic Integrity** The School of Business Administration upholds honor and academic integrity in all of its teaching, research, and service activities. All business faculty, staff, and students are charged with the responsibility to behave with personal and professional integrity and to refrain from dishonorable conduct. Any student caught cheating will be assigned an F in the course. In most cases a statement will be made in the student's record. If you have witnessed, been the victim of, or knowingly or unknowingly participated in an Academic Integrity violation, please talk to me immediately. Immediate, honest disclosure of such violations is implicit in the Statement of Academic Integrity. Any student caught cheating will be assigned an F in the course. In most cases a statement will also be made to that effect in the student's record.

**Accommodations for Students with Disabilities** It is the policy of the University of Mississippi to provide, on a flexible and individual basis, reasonable accommodation to students who have disabilities that may affect their ability to participate in course activities or meet course requirements. It is the responsibility of any student with a disability who requests a reasonable accommodation to contact the Office of Student Disability Services (662-915-7128). SDC will then contact the instructor through the student by means of an Instructor Notification of Classroom Accommodations form. Please complete the notification procedure within the first two weeks of the course. Also, please advise me in advance of any needs you may have as I may not be able to accommodate them at the last minute.

**Sexual Harassment** The University of Mississippi is committed to protecting students from sexual discrimination, sexual assault, stalking, sexual harassment, and relationship violence. If you are affected by any of these issues, please reach out to the Title IX Coordinator at 662-915- 7045. The University may be able to offer services and assistance. Also, the Title IX Coordinator may contact you if you write about or report any of these concerns to any faculty or staff members. (Faculty and Staff are required by law to report sexual discrimination, but you are not required to follow up on the report.) If you are dealing with any other issue involving unlawful discrimination, please contact the Office of Equal Opportunity and Regulatory Compliance at 662-915-7735.

**Discrimination** It is the policy of the University of Mississippi not to discriminate against anyone on the basis of race, color, religion, national origin, handicap, age, sexual orientation or being a disabled veteran.

**Email** Please include "FIN 331" somewhere in the subject of any email that you send to me. I get a lot of email, and this makes it easier for me to respond to your email in a timely fashion. I will try to respond to emails within twenty-four hours during weekdays (no promises on the weekends).