

Culverhouse College of Business, the University of Alabama

FI 302-051: Business Finance, Summer 2019

Course Website: Blackboard (ualearn.blackboard.com)

Instructor: Nicholas Glenn

Office: BD 351

✉: nlenn@crimson.ua.edu

Office Hours:

By appointment

Course Materials:

1. **Required:** *Financial Management: Core Concepts* (with MyFinanceLab), Brooks, Raymond; 4th edition (Pearson 2019). The textbook can be purchased in a bundle from the SupeStore or you can purchase other packages and options from the Pearson website by clicking [here](#).
2. **Required:** A non-programmable, **financial** calculator. The textbook and online videos use the Texas Instruments BAII Plus. We highly recommend becoming familiar with a financial calculator as it will increase the ease and speed at which you can answer questions for the course.

Communication:

The most recommended way to communicate with the instructor is through **the Discussion Board found in the course page on Blackboard**. This allows both you and your fellow classmates to benefit from responses and search for questions that may have already been answered. You can submit questions anonymously. If you wish to communicate directly with the instructors, please contact them via email from your crimson account (per CBA policy). **All emails or posts will receive a reply within 24 hours during the week and 36 hours during the weekend.**

Prerequisites:

EC 110 and AC 210

Course Description:

This course provides a foundation for making long-term corporate financial decisions. We will cover major topics that include investment decisions, capital budgeting, short-term financial planning, and working capital management.

Course Objectives:

This class provides a survey of financial principles that aid in understanding current events in Finance, provide a solid framework for any subsequent courses you may take in Finance, and be of practical value to a professional career.

The primary objectives of this course are: introduce the types of decisions that typically confront financial managers, develop a working knowledge of the techniques commonly employed in the financial decision making process, and demonstrate a practical understanding of the following broad financial management topic areas: time value of money, financial asset valuation, financial statement analysis, management of long term investments, and management of financing.

Attendance policy:

You are expected to come to class and keep up with any material that is missed. It is in each student's best interest to attend class regularly as exams and homework are largely (if not totally) based on lectures, and an open book quiz with a few questions will be given at the end of each class. You are also free to ask help from me or fellow classmates during the quiz.

Evaluation procedures:

Your grade is based on three exams. There will be three exams given throughout the course (two during the semester and a non-comprehensive final exam). Along with the end of class quiz you will also be given homework through MyFinanceLab. The weights given to each of these components is found below.

Table 1: Grading Weights

Assessment	Percentage
Highest Exam Score	32.5
Lowest Exam Score	12.5
Median Exam Score	22.5
Quiz Average	10
Homework Average	22.5
Total	100%

Your exam grades factor differently depending on how you perform on each exam. Your highest exam score is weighted the most (32.5%), your lowest exam score the least (12.5%) and the median (middle) exam score at 22.5%. So let's say you score a 80, 85, and 95 on Exams 1, 2, and 3 respectively, then Exam 3 (the highest) counts as 32.5% of your overall grade, Exam 1 (the lowest) counts as 12.5% of your grade, and Exam 2 is weighted 22.5%. You can use the formula below to determine your overall course grade:

Overall Grade

$$= 0.325 * (\text{Highest Exam Score}) + 0.125 * (\text{Lowest Exam Score}) + 0.225 * (\text{Median Exam Score}) + .10 * \text{Quiz Average} + 0.225 * (\text{Homework Average})$$

All grades are based upon the following scale. Any score is rounded up to the first decimal place.

Table 2: Grading Scale

<i>Overall Grade</i>	<i>Letter Grade</i>	<i>Overall Grade</i>	<i>Letter Grade</i>
95.0 ≤	A+	72.0 – 76.9	C
92.0 - 94.9	A	69.5 - 71.9	C-
89.5 - 91.9	A-	67.0 - 69.4	D+
87.0 - 89.4	B+	62.0 - 66.9	D
82.0 – 86.9	B	59.5 - 61.9	D-
79.5 – 81.9	B-	< 59.4	F
77.0 - 79.4	C+		

Exams:

Each of the 3 exams includes multiple choice questions and allows 150 minutes to complete. Please see Table 3 for details on exam dates and content covered. Exams occur during your respective class time on the dates below.

Exams are designed to evaluate not only your grasp of the material discussed in class and assigned, but also your ability to apply the concepts to more complex and/or new problems. Most exams feature two multiple choice sections: the first containing largely conceptual questions and the second including problem-oriented questions (often requiring calculation). **Potential exam questions for the second section can be found under the Exam Preparation link on the Blackboard course page.** Details regarding these questions can be found online.

Table 3: Exam dates, deadlines and material

Exam	Exam Date/Deadline	Material Covered
Exam 1	06/11/18	Chapter 1: Financial Management and Principles Chapter 2: Financial Statements Chapter 14: Financial Ratios and Firm Performance Chapter 3: Time Value of Money (Part 1) Chapter 4: Time Value of Money (Part 2)
Exam 2	06/20/18	Chapter 5: Interest Rates Chapter 6: Bond and Bond Valuation Chapter 7: Stock and Stock Valuation Chapter 8: Risk and Return
Exam 3	06/27/18	Chapter 9: Capital Budgeting Chapter 10: Cash Flow Estimation Chapter 11: The Cost of Capital Chapter 15: Raising Capital Chapter 18: International Financial Management

Exam Makeup Policy:

It is in the best interest of all students to take their exams on time. However, if a student misses an exam (or exam deadline) for any reason, they will be able to take a comprehensive makeup exam during their scheduled final exam (along with the final exam). This makeup is based on the material from Exams 1 and 2. Any student missing a second exam will receive a zero on that exam.

If any student has taken both Exam 1 and 2, then that student can elect to take the comprehensive makeup exams during the final exam period (along with the final exam). If the score on this attempt is higher than the student's lowest test grade, it will replace that grade. This occurs only if the student scores higher (i.e. there is no risk associated with taking the makeup).

Homework:

There will be assignments issued through the MyFinanceLab application that comes with your textbook bundle. The app can be access through Blackboard with an initial registration process. **Please always access MyFinanceLab through the Blackboard link.** Registration details along with tips and tricks to MyFinanceLab will be discussed in class.

There will be no-make up homework. Any homework that is not completed before the deadline will receive a zero no matter the reason. **Your lowest two homework scores will be dropped and your homework average is the simple average of the remaining scores.**

Academic Misconduct:

The Department of Economics, Finance and Legal Studies has a policy of zero tolerance for acts of academic misconduct. Violations of the Code of Academic Misconduct will be reported to the Academic Misconduct

Monitor for the college and the recommended penalty for cases of academic misconduct in a course offered by the Department of Economics, Finance and Legal Studies is a grade of “F” in the course.

Accommodations for Students with Special Needs:

Every effort will be made to accommodate the requirements for students who have demonstrated special needs. If you believe that you have such needs, you will need to register with the University’s Office of Disability Services (ODS, 348-4285). This office will work with you to determine what your requirements may be and provide information to the instructor about what these requirements are. Accommodations cannot be made without certification from ODS and it is the student’s responsibility to make these arrangements on a timely basis. *Any request for special arrangements made less than one week prior to an exam date may not be able to be honored.*

Severe Weather Protocols:

In case of a severe weather event, this course will observe the university’s policies with respect to cancellations. This applies to both the regular class period and to lab sessions. You are urged to participate in the university’s notification system to learn when these events have affected university operations.

Commitment to a Civil Learning Environment:

The University of Alabama is committed to an ethical, inclusive community defined by respect and civility. The UAct website provide a list of reporting channels that can be used to report incidences of illegal discrimination, harassment, sexual assault, sexual violence, retaliation, threat assessment or fraud.

Advice on Success:

1. **Attend every class.** If your target grade for this course is something above an F, then attending class every day is the most efficient way to achieve your target. If your goal is to fail the course, then not attending class is the most efficient way to achieve your goal.
2. **Read the textbook.** It is a very good textbook and this will strongly complement the lecture. Take notes while you read and attempt to reproduce important diagrams on your own.
3. **You learn finance by doing finance.** Do the homework. The importance of the homework extends beyond its weight in the final grade determination, because it will help you prepare for the tests.
4. **Do not fall behind. If you are pulling an "all-nighter" to study for an exam, you are doing something wrong.** First, cramming does not promote understanding, and it is very difficult to learn under the pressure of an exam the next day. Second, staying up all night will leave you in a very poor mental condition in which to take the exam. If you keep up with the material, there will be no need to stay up all night studying for the exam.

Tentative Course Outline:

The instructor reserves the right to change the dates and topics depending on the pace of the class and/or concepts that students find particularly interesting or challenging. Prior notification will be provided however, if any detail below were to change.

Date	Content
05/29/18	Introduction and Syllabus & Financial Calculator Basics
05/30/18	1. Financial Management and Principles
05/31/18	2. Financial Statements
06/03/18	14. Financial Ratios and Firm Performance
06/04/18	3. Time Value of Money (Part 1)

06/05/18	3/4. Time Value of Money (Part 1/2)
06/06/18	4. Time Value of Money (Part 2)
06/07/18	5. Interest Rates
06/10/18	6. Bond and Bond Valuation/ Review
06/11/18	EXAM # 1
06/12/18	6/7. Bond and Bond Valuation/ Review /Stock and Stock Valuation
06/13/18	7/8. Stock and Stock Valuation /Risk and Return
06/14/18	8/9. Risk and Return /Capital Budgeting
06/17/18	9. Capital Budgeting
06/18/18	10. Cash Flow Estimation
06/19/18	10. Cash Flow Estimation/Review
06/20/18	EXAM # 2
06/21/18	11. The Cost of Capital
06/24/18	15. Raising Capital
06/25/18	18. International Financial Management
06/26/18	Final review
06/27/18	EXAM #3 2:00 to 4:30PM