Intro to Business Finance: Fin 304

Instructor: Srinivas Nippani, Ph.D.
Classroom and Meeting Time: MW 12.30 to 1.45 pm in BA 256
Office: BA 227 (Texas A&M Commerce)
Office Phone: 903-886-5678
Office Hours: Mondays, Tuesdays and Wednesdays between 10.30 am and 12.00 noon and by appointment.
Fax: 903-886-5601
Email: Sri.Nippani@tamuc.edu

REQUIRED TEXTS/MATERIALS:


Financial Calculator: I strongly recommend the Texas Instruments BA II plus Professional calculator and my explanations will be based on this calculator in the class. You can see what this calculator looks like and how to use it at this website. http://movies.atomiclearning.com/k12/ti_ba2/

For free guidebook see: http://education.ti.com/guidebooks/financial/baiipluspro/BAIIPLUSPROGuidebook_EN.pdf

COURSE DESCRIPTION:

This course will focus predominately on an intermediate comprehension of corporate finance and business management. We will start with a review of accounting and basics of time value of money. Next, we analyze financial statements in order to identify a firm’s strengths and weaknesses. We then move to financial leverage and financial forecasting concepts, as well as theories for managing current assets and current liabilities. The second half of the course will be devoted to advanced time value of money concepts and methods companies use to choose acceptable investment projects.

MAJOR TOPICS COVERED:

Upon completion of this course, students should be familiar with the following:

Major Forms of Business Organizations
Shareholder Wealth Maximization
Calculation of Present Values
Calculation of future Values
Basic Accounting Statements
Ratio Analysis
Capital Allocation process
Bonds and Their Valuation
Stocks and Their Valuation
Risk and Return
Cost of Preferred Stock
Cost of Capital
Capital Budgeting Analysis

ATTENDANCE/PARTICIPATION:
Attendance is encouraged, but not required. I reserve the right to penalize students for more than four absences during the semester. If any make up quizzes and assignments are given they will be given on random days throughout the semester. **Given the difficulty of this material, you will NOT pass this class without regular reading (prior to class), class attendance, and participation.**

**TEACHING PROCEDURES:**

The class will be conducted in a lecture/discussion format. Be prepared to discuss and ask questions about the material assigned for each class period. This will require that you read the material prior to the class period during which it will be discussed. Although many of the issues covered in the readings will be discussed in class, all the areas covered in the readings will not be part of class discussion. You are encouraged to participate in class. Participation is based on volunteering for class activities and exhibiting a positive attitude, demonstrated by attentive, courteous, and respectful behavior at all times. The nature of this course encourages an interactive forum, and everyone has something valuable to contribute. Disruptive or rude behavior will not be tolerated.

**GRADING**

Your course grade will be based on three exams the last of which is the final. Of these three I will calculate your class average for the course. However, if the class average is below my expectations, I reserve the right to give an extra credit to the entire class. This will depend on the class average and not a bad performance by one or two individuals. During the course of the semester, I will assign some reading material that is publicly available and is not from the textbook. If I feel the need to give an extra credit assignment, I will give an exam over this assigned material. If given, this will be for all students in the class and this will not be given selectively.

My exams will be based on material covered in class. Each exam is worth 100 points making a total of 300 points for all three exams. The first two exams will be of 1 hour and 15 minutes duration and the final will be for two hours. For each student the total points will be added up and converted to a percentage at the end of the semester to decide the final grade. The following scale will be applied to decide the final grade for students: 90% and above: A grade, 80%-89.99%: B grade, 70%-79.99%: C grade, 60%-69.99%: D grade and below 60% F grade. I will try to adhere to the above grading scale but I reserve the right to deviate from it. **My exams are normally of multiple choices/short answer/problem solving or one or two line answers (extremely short essay questions) and you can use a calculator on them.** The exams are designed for speed and accuracy. No student will be given an opportunity to make up for an inadequate performance on an exam and make-up exams will be given for only medical reasons.

**TENTATIVE COURSE AND EXAM SCHEDULE**

January 14: Introduction to finance
January 16: Chapter 1
January 21: Holiday (MLK Holiday University closed)
January 23: Chapter 1
January 28: Chapter 5
January 30: Chapter 5
February 4: Chapter 5
February 6: Chapter 3
February 11: Chapter 3
February 13: Chapter 4
February 18: Exam 1 on chapters 1, 5 and 3
February 20: Chapter 4
February 25: Chapter 2
February 27: Chapter 2
March 4: Chapter 2
March 6: Chapter 7
Week of March 11: Spring Break
March 18: Chapter 7
March 20: Chapter 7
March 25: Exam 2 on chapters 3, 4 and 7
March 27: Chapter 9
April 1: Chapter 9
April 3: Chapter 8
April 8: Chapter 8
April 10: Chapter 8
April 15: Chapter 10
April 17: Chapter 10
April 22: Chapter 10
April 23: Chapter 11
April 29: Chapter 11
May 1: Finishing up chapter 11 and Review
Week of May 11: Final exam based exactly on the schedule given in the University Website.

NOTE: THE COURSE SYLLABUS IS A GENERAL PLAN FOR THE COURSE. DEVIATIONS ANNOUNCED TO THE CLASS BY THE INSTRUCTOR MAY BE NECESSARY

ACADEMIC INTEGRITY/PLAGIARISM:

All academic work must meet the standards contained in A Culture of Honesty: Policies and Procedures on Academic Honest. Students are responsible for informing themselves about those standards and for observing the University Honor Code. Plagiarism occurs when a student submits work that is not his or her own. This includes copying from printed materials, websites, or from other people. All students are expected to turn in work that has been completed individually, unless otherwise informed by the instructor. Any assignment containing plagiarized material will automatically be graded as zero. The instructor will use the available technology at hand to determine if you have or appeared to have cheated. You are required to access all data and lectures available to you during the semester.

ADA:

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you have a disability requiring an accommodation, please contact:

Office of Student Disability Resources and Services
Texas A&M University-Commerce
Gee Library
Room 132
Phone (903) 886-5150 or (903) 886-5835
CIVILITY IN THE CLASSROOM:

Students are expected to assist in maintaining a classroom environment that is conducive to learning.

COURSE OBJECTIVES AND LEARNING OUTCOMES ASSESSMENT:

All of the topics covered in the course are covered with a specific course objective in mind. The course objectives for this course are given below which will be created into a learning outcomes assessment rubric (given below the objectives) to measure student performance in the class. The objectives for this course are:

<table>
<thead>
<tr>
<th>Criteria (Course Objectives)</th>
<th>1 (Unsatisfactory)</th>
<th>2 (Emerging)</th>
<th>3 (Proficient)</th>
<th>4 (Exemplary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demonstrate an understanding of the fundamental concepts of corporate finance and its principles and methods.</td>
<td>Student cannot demonstrate an understanding any of the fundamental concepts of corporate finance and its principles and methods.</td>
<td>Student can demonstrate some understanding of the fundamental concepts of corporate finance and its principles and methods.</td>
<td>Student can demonstrate understanding of most of the fundamental concepts of corporate finance and its principles and methods.</td>
<td>Student can demonstrate understanding of all of the fundamental concepts of corporate finance and its principles and methods.</td>
</tr>
<tr>
<td>Understand and apply valuation techniques of securities, projects and corporations.</td>
<td>Student cannot demonstrate an understanding of any valuation techniques of securities, projects and corporations.</td>
<td>Student can demonstrate an understanding of valuation techniques but none of the application to the projects or corporations.</td>
<td>Student can demonstrate an understanding of valuation techniques and some of the application to the projects or corporations.</td>
<td>Student can demonstrate an understanding of valuation techniques and all of the application to the projects or corporations.</td>
</tr>
<tr>
<td>Demonstrate an understanding and show ability to measure financial decisions in a risk/return environment.</td>
<td>Student cannot demonstrate an understanding of these processes or their measurement.</td>
<td>Student can demonstrate an understanding of these processes but not the measurement.</td>
<td>Student can demonstrate an understanding of most of these processes and their measurement.</td>
<td>Student can demonstrate an understanding of all of these processes and their measurement.</td>
</tr>
</tbody>
</table>