

BAFN 370-025: Business Finance Summer 2018

Instructor: J. French

Office Hours: Following Class

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Text: Fundamentals of Corporate Finance, Ross, Westerfield and Jordan, 11 Edition, ISBN-13: 978-1259298707

Prerequisites: BAAC 221, ECON 203 and ECON 205 and STAT 150. Juniors or above.

This class will meet M-TH from 09:00-12:15 at the University of Trieste, in Trieste, Italy for three weeks starting on July 23rd, 2018 -August 9th, 2018.

Course Description:

Examines the basic principles and concepts of financial management. Topics include valuation, risk, financial analysis and planning, working capital management, cost of capital, capital structure and capital budgeting.

MCB Assurance of Learning (AoL) Objectives:

Learning Goal	Learning Objective	Course Coverage
Be knowledgeable of key concepts in core business curriculum	Students will demonstrate a firm understanding of core business concepts.	See course objective 1.
Be effective communicators	Students will prepare and deliver professional quality presentations on a business topic.	
	Students will prepare professional quality business documents.	
Demonstrate conceptual and analytical skills	Students will analyze data & information to identify key problems, generate and evaluate appropriate alternatives, and propose a feasible alternative.	See course objectives 3-9

Be proficient with technology	Students will demonstrate proficiency in common business software packages.	
Demonstrate ethical awareness	Students will be knowledgeable about ethics and social responsibility.	
	Students will correctly identify the ethical issue or problem, analyze the consequences for various stakeholders, and develop an acceptable resolution.	
Be proficient with discipline-specific knowledge	Students will demonstrate a firm understanding of discipline-specific knowledge within their emphasis.	See course objectives 3-9
	Students will demonstrate competency with advanced topics within their emphasis.	

Objectives:

1. Examine the basic principles and concepts of financial management and the financial markets.
2. Establish a basic understanding of the role of the financial manager in domestic and multinational corporations.
3. Understand and analyze financial statements using ratio analysis.
4. Develop a thorough understanding of time value of money and its applications to financial and real asset valuation.
5. Analyze financial instruments with a primary emphasis on stock and bond valuation techniques.
6. Obtain an understanding of the relationship between risk and return, and the principles of asset diversification.
7. Provide an in-depth study of capital budgeting methodologies, including internal rate of return, net present value, profitability index, and payback period.
8. Develop an understanding of the cost of capital, its use in financial decision-making, and risk-adjustment techniques.
9. Establish a basic understanding of working capital management and capital structure.

Expectations of Students:

1. Students are expected to attend all classes and be on time. If a student misses class due to illness or other circumstances, then it is the students' responsibility to obtain the covered material and assignments.
2. Class participation is expected.

3. All assignments are to be completed by the date and time specified in class. No assignments will be accepted if they are late unless prior approval from the instructor has been received.

Canvas:

Two major functions are handled through Canvas:

1. Announcements will be posted on Canvas.
2. Course documents will be available for download on Canvas, including PowerPoint, assignments, etc.

Exams:

The exams are typically demanding and presume you have thoroughly studied the text and lecture materials. Make-up exams will only be given in very unusual circumstances.

Homework and Quizzes:

There will be 4 homework assignments. Details will be provided in class.

Grading:

Your grades in this course will be determined based on your performance on homework and exams.

Components	Weights
Homework	20%
Attendance and Participation	10%
Exams*	70%

* Exams will be weighted as follows: Exam 1=30%, Exam 2=40%

The following grading scale will be used in determining your final grade:

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

Course Outline

Lecture	TOPIC	CHAPTER
Lecture 1	Overview	1
	Firms and Financial Markets	Notes
Lecture 2	Financial Statements and Financial Statement Analysis	2, 3, 4
Lecture 3	Time Value of Money	5, 6
Lecture 4	Interest Rates and Bonds	7
Lecture 5	Stocks	8
Lecture 6	Exam 1	
Lecture 7	Decision Rules	9
Lecture 8	Capital Budgeting	10
Lecture 9	Risk and Return	12, 13
Lecture 10	Capital Structure	14
Lecture 11	Dividend Policy and Working Capital	17, 16
Lecture 12	Final	

This course outline is intended to give you an idea of the sequence of topics; however, it is subject to change at the discretion of the instructor. Some of the topics will be covered in greater detail than others and some of the material presented in class is not in the text. You must attend class to obtain the reading and problem assignments.

GLOBAL DIMENSION COVERAGE: Global issues are integrated throughout the topics covered in the course. In addition, specific coverage of multinational financial management is required. Topics covered include areas such as foreign exchange risk, political risk, foreign sources of funds, etc.

ETHICAL DIMENSION COVERAGE: Ethical issues in finance such as insider trading, the role of the financial manager, and environmental and safety considerations when making capital budgeting decisions are examined through class discussions, videotapes, and/or cases.

ADDITIONAL MCB STATEMENTS:

http://mcb.unco.edu/Faculty/pdf/standard_statements.pdf