I. Instructor
James A. Milanese
Bryan School Room 385
(336) 334-4864
E-mail: JAMILANE@UNCG.edu

Office Hours: Tuesdays and Thursdays 12:30 to 2:00 or By Appointment

II. Required Materials


Please note, I will not being using the Pearson MyFinanceLab as a part of this class.

Financial Calculator: The recommended calculator for this course is the HP 10B II. Any calculator that is capable of performing time value of money, amortization, net present value and internal rate of return calculations will be sufficient. However, the notes for this class are designed for the HB 10B II and financial calculations will be taught with this calculator only. You are responsible for learning the keystrokes of any other calculator.

OR

Excel: If you are a finance major, it is *strongly suggested* that you work the time-value-of-money problems in Excel. This will be the required method in all upper-level finance courses.

III. Course Objectives:
FIN 315 is a common body of knowledge course for students pursuing a degree in business or economics. Upon the completion of the course students should be able to do the following:

1. Discuss the interrelated areas of finance, the role of finance within an organization, forms of the business organization, agency problems, and the factors that influence the stock price.
2. Explain the information provided by the income statement, balance sheet, statement of cash flows and how modifications of accounting data can be used for making corporate and stock valuation decisions.

3. Describe the nature of ratio analysis, the groups and types of ratios, the DuPont system, and quantitative and non-quantitative factors in evaluating a company’s performance.

4. Identify the steps in the financial planning process.

5. Describe the different financial markets, financial market instruments, the components and factors influencing the interest rate, the yield curve, and explanations for the shape of the yield curve.

6. Define risk, return, diversifiable risk, market risk, and explain how to measure and apply required risk and return in the context of an individual stock and a stock portfolio.

7. Demonstrate how to find the present and future values of lump sums and annuities, solve for the time or interest rate in TVM problems, calculate periodic and effective interest rates, and construct a loan amortization schedule.

8. List the main classifications and characteristics of bond, calculate bond price and various bond yields, and explain the importance of bond ratings and criteria for rating bonds.

9. Identify important stock ownership rights and terms, how to value common and preferred stock, and understand stock market information in the newspaper and market efficiency.

10. Explain the concept of a firm’s weighted average cost of capital, define and calculate the component costs of capital using alternative approaches, calculate the weighted average cost of capital, and identify situations when the use of the composite WACC is not appropriate.

11. Explain capital budgeting and steps in the capital budgeting project, methods to evaluate project financial viability, NPV profiles, the problem of multiple IRRs.

**IV. Final Grade Determination**

<table>
<thead>
<tr>
<th>Exam</th>
<th>Date</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Exam 1</td>
<td>September 13</td>
<td>16%</td>
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<tr>
<td>Exam 2</td>
<td>September 27</td>
<td>16%</td>
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<tr>
<td>Exam 3</td>
<td>October 11</td>
<td>16%</td>
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<td>Exam 4</td>
<td>October 25</td>
<td>16%</td>
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<tr>
<td>Exam 5</td>
<td>November 15</td>
<td>16%</td>
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<tr>
<td>Exam 6</td>
<td>November 28</td>
<td>20%</td>
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Your final grade will be based on the following scale:

- 92 or Higher: A
- 90 – 91.9: A-
- 88 – 89.9: B+
- 82 – 87.9: B
- 80 – 81.9: B-
- 78 – 79.9: C+
- 72 – 77.9: C
- 70 – 71.9: C-
- Below 60: F
- 68 – 69.9: D+
- 62 – 67.9: D
- 60 – 61.9: D-
V. Topics to be Covered

Chapter 1 Introduction to Managerial Finance
Chapter 2 The Financial Market Environment
Chapter 3 Financial Statements and Ratio Analysis
Chapter 4 Cash Flow and Financial Planning
Chapter 5 Time Value of Money
Chapter 6 Interest Rates and Bond Valuation
Chapter 7 Stock Valuation
Chapter 8 Risk and Return
Chapter 9 The Cost of Capital
Chapter 10 Capital Budgeting Techniques: Certainty and Risk

Exam and Quiz Guidelines

1. Each exam will be available from 12:00 am to 11:30 pm.

2. From the time you begin the exam, you will have 60 minutes to complete and submit each of the first 5 exams, and 150 minutes for the final (Exam 6). If you log-off, the clock is still running. **No exam will be accepted if this time limit is exceeded, and a grade of zero will be assigned. Once you open the exam, you are considered to have taken it; and the weight will not be moved to the final.**

3. You are to work independently on all assignments. You may not confer with anyone about the exam.

4. You may not use anything but a calculator during the exam. Things such as books, notes, recordings or other aids are not permitted. You are to take the exam as if you were in a classroom with nothing but your pencil, paper to work the problems and calculator.

5. Each of the first 5 exams will consist of 20 multiple choice questions. The final will consist of 50 multiple choice questions.

**NO** make-up exams will be given. If you miss one or more of the mid-term exams, and can provide documentation of a valid excuse, the weight of those exams and will be added to the final exam. If documentation cannot be provided, or the reason the exam is missed is not valid, a grade of zero will be assigned. For the most part, a valid excuse will be defined as illness, a death in the family or legal obligation (such as jury duty).
Topics Covered on Each Exam

Exam 1
Chapter 1 Introduction to Managerial Finance
Chapter 2 The Financial Market Environment

Exam 2
Chapter 3 Financial Statements and Ratio Analysis
Chapter 4 Cash Flow and Financial Planning

Exam 3
Chapter 5 Time Value of money

Exam 4
Chapter 6 Interest Rates and Bond Valuation
Chapter 7 Stock Valuation

Exam 5
Chapter 8 Risk and Return
Chapter 9 The Cost of Capital

Cumulative Exam 6
Chapter 10 Capital Budgeting Techniques: Certainty and Risk
Plus All Material in Previous Chapters

VI. Students with Disabilities:

All students with a disability requesting special services must go through the Office of Disabilities Services. If you are requesting special accommodations, please bring your paper work from Disability Services directly to me the first week of class. All such information will be help in confidence. The web link to this office is http://ods.dept.uncg.edu/services/.

VII. Honor Policy

All graded material for this class is subject to the UNCG Academic Honor Policy. If you are not familiar with this policy, please use the following link:

http://www.uncg.edu/reg/Policy/HonorPolicy.html

VIII. Prerequisites

ACC 201 or ACC 218, ECO 201 and ECO 202