

THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO
BRYAN SCHOOL OF BUSINESS AND ECONOMICS
Department of Accounting and Finance

FIN 315-04: Business Finance I
Fall 2018
Wednesdays 6:00 pm to 8:50 pm BRYN 122

I. Instructor Robert E. Lamy
 Bryan School Room 386
 (336) 334-5647
 E-mail: relamy@UNCG.edu

Office Hours: Monday and Wednesday 1:00 pm to 2:00 pm
 By appointment and email

II. Required Materials

Text: Chad Zutter and Scott Smart, *Principles of Managerial Finance, Brief Eighth Edition*. Pearson Publishing, 2018. **ISBN:** 9780134476308

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

Important Requirement: We will not be using financial calculators in the class. All students are required to have either a laptop computer or tablet with Excel.

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

Exam 1	September 5	20%
Exam 2	October 3	20%
Exam 3	October 31	20%
Cumulative Final Exam	December 5	30%
Quiz Average (at least three)		10%

Note: **NO** make-up exams or quizzes will be given. If you miss one or more of the in-semester exams or quizzes, and can provide documentation of a valid excuse, the weight of those exams and/or quizzes will be added to the final exam. If documentation cannot be provided, or the reason the exam or quiz 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).

The **final exam** for this class is **December 5, 2018**. You **MUST** plan now for this exam. The University requires that all students adhere to the University exam schedule. There is no exception to this policy. Do not schedule your return home for Winter break prior to completion of our exam – doing such is not an excuse for missing or rescheduling the final exam in this class.

Students with more than two examinations within 24 hours may apply to the University Registrar's Office, 180 Mossman Building, for permission to change their exam schedules. Requests must be filed by 5:00 P.M., November 28, 2018.

Each exam will be provided to the student for review after grading. Students may *not* keep the exams. All exams must be *returned to the instructor the same class period they are reviewed* and must not leave the classroom. Failure to return an exam to the instructor will result in a *grade of zero for that exam*.

Anyone arriving late for an exam or quiz will only be permitted to take the exam or quiz at the discretion of the instructor. A student arriving significantly late, without a valid excuse, will not be permitted to take the exam or quiz and will receive a zero.

Your final grade will be based on the following scale:

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

The instructor reserves the right to adjust the student’s final grade by a maximum of one-half point. This adjustment will only be made for students with regular class attendance and participation.

V. Class Schedule (tentative)

Date	Topic	Assignment
August 15	The Role of Managerial Finance & Financial Market Environment	Chapters 1 & 2
August 22	Financial Statement Analysis	Chapter 3
August 29	Financial Planning	Chapter 4
September 5	Exam #1	
September 12	Time Value of Money	Chapter 5
September 19	Interest Rates & Bond Valuation	Chapter 6
September 26	Interest Rates & Bond Valuation	Chapter 6
October 3	Exam #2	
October 10	Stock Valuation	Chapter 7
October 17	Stock Valuation & Risk-Return: Part I	Chapters 7 & 8
October 24	Risk-Return: Part II	Chapter 8
October 31	Exam #3	
November 7	Cost of Capital	Chapter 9
November 14	Capital Budgeting	Chapter 10
November 28	Capital Budgeting	Chapter 10

Important: All material in the assigned chapters is “fair game” for test questions, even if not covered in class lectures. In addition, unless specifically told otherwise, students are responsible for all lecture material, even if not covered in the text readings.

VI. Students With Disabilities:

All students with a disability requesting special services must go through the OARS Office. 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 held in confidence. The web link to this office is <http://ods.dept.uncg.edu/services/> .

VII. Student Conduct

Students are expected to conduct themselves in a professional manner at all times. This means, but is not limited to:

- Arriving for class on time
- Doing absolutely nothing during class that is disruptive or detracts from the learning experience of others
- Remaining in class for its duration

Any student disrupting this class will be asked to leave. If the conduct continues, the instructors reserve the right to drop the student from the class.

For an overview of specific University and Bryan School policies, please see the following links:

<http://studentconduct.uncg.edu/policy/code/>
www.uncg.edu/bae/faculty_student_guidelines.pdf

VIII. 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>

IX. Prerequisites

ACC 201 or ACC 218, ECO 201 and ECO 202

X. The Bryan School of Business and Economics' Mission Statement

In the Bryan School of Business and Economics, we create and disseminate knowledge about the theory and practice of business. In addition to our courses and research, we accomplish this through hands-on projects, global experiences, and outreach to the community. Our work produces principled leaders and exceptional problem solvers who have a global perspective, an innovative mindset, a broad understanding of sustainability, and a commitment to improve the organizations in which they work and the communities in which they live.

Student Learning Goals

Each program within the Bryan school has separate learning goals as listed with the degree program. The essential components of a professional education in business (excluding the B.S. and B.A. in Economics, the B.S. in Consumer, Apparel, and Retail Studies and the B.A. in Sustainable Tourism and Hospitality) include common courses for breadth and opportunities for advanced work for depth in the various business disciplines. These core business programs share the following common learning goals:

1. Students will implement the various steps of the critical thinking process, supported by the appropriate use of analytical and quantitative techniques, to formulate recommendations for subsequent decision making.
2. Students will apply appropriate ethical standards when making recommendations for business decision making.
3. Students will evaluate business decisions in the context of sustainability goals, balancing environmental, social, and economic needs, conditions, and potential decision impacts.
4. Students will formulate appropriate strategies, in the context of global issues and forces, to improve business performance in the world economy.
5. Students will explain the roles of innovation and innovation management in achieving successful business strategies, decisions, and performance.
6. Students will be able to plan, schedule, contribute to, and lead projects.

Impact of this Course on the Program Student Learning Goals

Upon successful completion of Business Finance I (FIN 315), students will meet various components of the Critical Decision-Making (#1) Student Learning Goals. Additionally, students will be exposed to elements of financial global issues supporting Student Learning Goal #4.