



Finance 3403
Principles of Financial Management
Lecture Capture Video Streaming
Fall 2018 (3 credit hours) CRN: 10621
BU 303 and Online WF 2pm-3:20pm

Professor: Dr. Scott Barnhart
e-mail: sbarnhar@fau.edu
Office: Kaye Hall 132
Office phone: 561-297-2539 (Please use e-mail)
Office Hours: W 3:45-5:30, F 3:45-4:30
or by appointment

TA: Braden Thompson
e-mail: thompsonb2014@fau.edu
TA: Mehran Mollaie
e-mail: mmollaie2013@fau.edu
TA Hours: Office Depot 107-111
Mehran: M 12:30-5:30
Braden: T,TH 3:30-6:30

All email questions must first go to one of the TAs who will then direct it to me if need be
Before you send a message asking something please look again on the syllabus and do not be offended when we tell that the answer to your question is on the syllabus.

PLEASE DO NOT USE CANVAS TO SEND ME EMAIL, IT CONTAINS NO TRAIL, PLEASE USE ANOTHER EMAIL SUCH AS EXCHANGE, ETC.

There are about 400 students in this class. Tests, Quizzes and Homeworks are posted and due on specific dates. You must determine now if you can take the tests on the dates and times below, and using the indicated monitoring software, if not, you need to find another section.

Quizzes and Homeworks will not be reposted for **any reason** and the only excuse for missing an exam is you are in a legitimate hospital or have legitimate doctor's excuse. Please do not ask me to change a date for an exam, or to repost Quizzes or Homeworks, I will just say no, and I am sorry.

You should do assignments early in case you are sick, out of town, etc. Everything is online, so you can be anywhere and do this work as long as you have reliable internet!



Quick Course Reference List:

Canvas Contains in the Modules Tab:

Syllabus

Answers to all chapter homework problems

Link to Connect (click on any HW, LS or Practice)

Material on Honorlock for 2nd Exam and Final Exam (see below)

Link to LCVS Videos

Link to my Videos

Exams 1-3 23.83% each, 71.5% total **OPEN 2PM-2PM FOLLOWING DAY**

Class Notes

Quizzes 12% of grade: Due at 11:59pm on dates listed below

Connect Contains:

Ebook

Practice Homework 0% of grade

Homework 11% of grade: Due at 11:59pm on dates listed below

Learn Smart 5.5% of grade: Due at 11:59pm on dates listed below

Required Text and Materials

Text and Connect

You are **required to purchase** access to the digital platform Connect by McGraw-Hill using a credit card directly through your instructor’s Connect or Canvas section:

Connect for Fundamentals of Corporate Finance (360 day access), Ross, Westerfield, Jordan, 12th ed., ISBN: 9781259918957.

This platform gives you access to the Connect website which contains the following items:

- 1) eBook [SmartBook] which allows you to read online and offline, print pages, highlight text, and annotate with your own notes.
- 2) Back of chapter homework problems.
- 3) LearnSmart
- 4) Note: You are not required to have a print text, but if you want a hard copy of the book you can either buy a used print copy or opt to purchase a loose-leaf color text on the Connect website to be sent to your address for \$40. **Note that if you buy a used textbook you still need to buy the Connect access.**

Connect codes will also be available in the bookstore, but the price is higher. The bookstore may have some packages of the Connect code bundled with the printed loose-leaf text if you prefer this option.

Other Materials

- Honorlock. There will be two online exams proctored by Honorlock, study the material on



CV and take the practice exam.

- **Financial Calculator.** Make it easy on yourself and buy what I use, a Hewlett Packard 10BII+. I will not review how to use anything other than the 10BII+ in class. You can buy the calculator from HP directly: <https://store.hp.com/us/en/pdp/hp-10bii-financial-calculator-pnw239aa-aba--1> or many office supply stores.
- **Computer:** You must have a stable and dependable access to the Internet (with Internet Explorer or Mozilla Firefox, and for Honorlock you need a Chrome extension).
- **Canvas:** You must use Canvas (CV) to retrieve class notes, and to take quizzes and tests to receive class e-mails from me. Go to the site: <http://canvas.fau.edu/>.
- **READ** the note “Taking Quizzes and Tests on CV” to make sure you set your computer up and navigate through CV correctly.
- **E-mail:** You need to check your FAU e-mail on a **DAILY** basis. Not checking your e-mail is no excuse.

Course Description

Finance 3403 is a junior level course in finance designed to provide exposure to the theory and practice of corporate financial management and to demonstrate how financial management techniques are applied in decision-making. We will cover topics such as financial statements, financial ratio analysis, the time value of money, risk and return, capital budgeting, capital structure, the cost of capital, securities markets, sources and uses of financing, and international markets.

Professor Warning: Your instructor for this course is known to have a dry sense of off-the-wall humor and sometimes can spend time discussing things un-related to class material. If this is a problem for you, please sign up for another section.

Course Warning: Finance 3403 is a hands-on, problem oriented, **demanding** course that is difficult and/or very time consuming for most students. It is much like a math class, so be prepared to be challenged and work hard! Normally, students should spend at least 2 - 3 hours outside class for each hour spent in class for a total of 9-12 hours per week in a normal semester, **REALLY!** In this course you must know and apply general concepts and you must solve detailed problems correctly to the second decimal. If you have a full slate this semester with job, family and a full class load, it might be advisable to take it at a later date when you can devote more time.

“According to Florida State Statute 6A-10.033, students must spend a minimum 2,250 minutes of in class time during a 3-credit course. Additionally, students enrolled in a 3-credit course are expected to spend a minimum of 4,500 minutes (of out-of-class-time specifically working on course-related activities (i.e., reading assigned pieces, completing homework, preparing for exams and other assessments, reviewing class notes, etc.) and fulfilling any other class activities or duties as required.” The course schedule for this course reflects this expectation of students.



Course Prerequisites and Credit Hours

ACG 2021, ACG 2071 and the Canvas entry course.

Course Learning Objectives

- Interpret and apply financial ratio and common size analyses to financial statements and other financial disclosures to evaluate the financial health and performance of a company.
- Facilitate financial decision-making by applying financial math and valuation principles to value securities, capital projects, and other assets.
- Assess the risk associated with a financial or capital asset and identify, identify the relevant risk, and estimate the cost of capital for financial decision-making purposes.
- Apply the net present value, internal rate of return, and modified internal rate of return techniques to make project selection decisions in a capital budgeting context, and perform sensitivity analysis in capital project decision-making.

Grading Scale

Your grades will be based on the plus/minus scale, e.g., 80-82.5=B-; 82.6-87.4=B; 87.5-89.9=B+, and so forth for all other grades A-D, except there is no A+, **AND MOST IMPORTANTLY I do not give C- grades in this course, anything down to 70 is C.**

Course Evaluation Method

Final grades are a function of three exams, 12 on-line quizzes, 11 Connect problem sets, and 10 Learn Smart assignments (each Quiz and Connect problem set is worth 1% of your final course grade, i.e., 12% for quizzes, 11% for Connect Homework, and Learn Smart is 1/2% or 5.5%; for a total of 28.5%). As the quizzes and problem sets count 28.5% of the course grade, the three exams count 71.5% of your final grade or 23.83% each. The tests are multiple choice: approximately 50% concepts and definitions and 50% problems. The third test will be given during finals week and is **cumulative only with regard to the department assessment questions (6)**. Your final course score will be calculated as: $\text{Score} = (T1+T2+T3(\text{on scale of } 100\%)+\text{all curves}) \cdot .23833 + (\text{Quiz}\%) \cdot .12 + (\text{Connect Homework}\%) \cdot .11 + (\text{Learn Smart}\%) \cdot .055$. **Also note that if you earned 100 on each exam and blew off the quizzes, homework and Learn Smart, you would have only a 71.5%.**

Additional Course Policies

Modules:

The course is organized around **Modules** in **Canvas** that group different sets of assignments. The assignments in the Modules are to be covered according to the “**estimated**” dates listed under Tentative Course Outline below.

**Quizzes:**

ALL QUIZZES ARE DUE AS INDICATED BELOW AT 11:59pm. The quizzes count 12% of your final grade (1% for each quiz). The quizzes will be the same format as the tests. You have **three attempts** on each quiz and each attempt has a time limit of 30 minutes. Your highest grade is the one CV uses. **Quizzes will not be reposted.**

READ the note “Directions for Taking Quizzes on CV.” Quizzes should be looked at as a “give-me” for you, they are there only for familiarity and are crucial to your grade. In addition, you get kicked out of CV you will not see your grade. **I will collect quiz grades directly after the giving the final, so you must be done with them by then to get credit.**

Homework: **ALL HOMEWORK IS DUE AS INDICATED BELOW AT 11:59pm.** End of chapter homework can be done directly from the book and I have posted answers on CV under the Modules titled ‘... Solutions Manual.’ However, **to get credit** you must also use McGraw-Hill’s Connect to do “**Homework**” at Connect site. **Homeworks will not be reposted.**

Go to Connect through one of the assignments in Canvas, do not go directly to the Connect URL.

There are two versions of problems for each chapter. The first is a static “**Practice**” version that is supposed to be exactly the same as the book problems and they do not count on your grade. The other version, labeled as “**Homework,**” you get credit for. Both versions you can work as many times as you want. Connect uses the highest score you make. **To get feedback on these problems within Connect see the note on CV “Connect Screens.”** Also, there is help for Connect at <http://mhhe.com/support>. The help phone number is: 800-331-5094. **Finally, remember I have posted all solutions to problems on CV.**

Finance Department Assessment:

The Finance Department Assessment is 7 questions on the final exam that is the only part of the final exam that is cumulative.

Exams:**Exam 1:**

ONLY ONE ATTEMPT IS ALLOWED when taking an Exam, **they are timed**, there is one question at a time. There **may or may not backtracking**.

Exams are given within a time window of **2pm opening day-2pm the next day.** **Note that all exams must be submitted by 2pm on the following day or you will not get the full allotted time. If you cannot take the exams on the dates shown, you need to find a new section.** The exams are similar in format to the quizzes. PLEASE PAY ATTENTION TO THE CV NOTE ON TESTS/QUIZZES.



Exam 2 and Final Exam:

Online Proctored Exams

The FAU College of Business has hired an outside company, Honorlock, to proctor your exam 2 and the final exam. This system offers two important benefits: 1) It allows you to take exams anywhere online, and 2) it helps to protect the academic integrity of the course by verifying your identity and ensuring that the exam is completed honestly by all students.

Hardware requirements for taking the online proctored final exam include:

- A well-functioning computer.
- A stable Internet connection. A wired Internet connection is MUCH better than Wi-Fi.
- A webcam. Buy one if you don't have one.
- Your FAU Owl Card (or other government-issued photo ID).

Please read the information on Honorlock (855-828-4004) for detailed information on setting up and taking online proctored exams.

A non-graded practice exam will be given a few days prior to the actual exam to allow you to familiarize yourself with the online proctoring system.

Missed Exams: You should not miss exams, aside from an emergency. **If you must miss an exam I must be notified one week in advance with a legitimate excuse for you to be able to make up the exam. If I am not notified in advance with a legitimate excuse and you still miss an exam you will get either a 40% reduction in your grade or a zero on that exam at my discretion. In the event of a serious emergency, proof of visitation to a doctor or hospital is required.**

Asking Questions:

If you need help with any of the material in the course, please contact the TAs listed above via e-mail **MAKING SURE YOU HAVE FIN 3403 IN THE SUBJECT LINE**. When you ask us a question about notes, problems, etc., **you are not allowed** to simply ask a question like “Could you please do problem 5 from chapter 2?” **You MUST copy the question in its entirety into the e-mail and show some attempt at trying to solve it so that if I resend to all students others can see the question and where you are having trouble.** The same is true for notes, please cut and paste the section of the notes you have a question about. Finally, when you ask a question do not be offended when I remind you about this policy so as to help others. I check my e-mail several times a day, but I may not respond immediately or even that day. Please be patient, we will get to your question in due time.

Computer Issues:

As the instructor for this course, I accept responsibility for any “server-side” technical problems that may arise during the semester related to the Lecture Capture Video Streaming delivery system,



the Canvas Learning System, or other network problems at FAU. However, I have little control over the Connect system other than setting it up. As a student in this course, you must accept responsibility for any “client-side” technical and personal problems you may encounter during the semester (even if those problems lower your grade for the course). You can call the Help Desk (561-297-3999) or fill out an order on the OIT website: <https://helpdesk.fau.edu>. Examples of “client-side” problems are:

- “my computer ‘froze’ in the middle of my quiz/exam,”
- “I accidentally closed my browser window in the middle of my exam,”
- “my computer got a virus,”
- “I forgot the due date/time for the quiz/exam/assignment,”
- “I tried to access the quiz/exam/assignment at my work and the firewall blocked me,”
- “I forgot to submit my answers before the time limit passed”
- “I got kicked out of my quiz or test on CV”
- “The electricity and/or internet went out in my house.”

We all have computer problems and we all must deal with them accordingly by having back-up plans, such as using a different computer, going to campus, going to Starbucks for internet access, etc.

Common Courtesy and Netiquette:

Please follow standard rules of etiquette. Always begin an e-mail or correspondence with Hello, Dr. Barnhart, or Hi Dr. B., etc and I will do the same. If we are in a back and forth, we may dispense with this. Remember, I cannot see your face and you cannot see mine, therefore many e-mails are regularly mis-interpreted as hostile, so be very careful what you say and how you say it. **ANY TYPE OF RUDE, IMPOLITE OR POOR BEHAVIOR WILL RESULT IN IMMEDIATE DISMISSAL FROM THE COURSE.** Please read and understand the rules of netiquette: <http://www.albion.com/netiquette/corerules.html>.

Tentative Course Outline

IMPORTANT DATES:

Oct 03-4 No Class--Exam 1
 Nov 07-8: No Class--Exam 2
Nov 16: **Last day to drop course or withdraw without receiving an F**
 Dec 06-7: Final Exam

<u>Estimated Dates</u>	<u>Learning Unit</u>	<u>Reading Assignment</u>
8/22	CV, Quiz Taking, Connect, Ex. Quiz, Syllabus and Docs on CV	
8/24	Introduction to Corporate Finance	Chapter 1
8/29*	Chapter 1 Learn Smart (LS) and Quiz 1 Due	
8/29	Time Value of Money & Discounted Cash Flow	Chapter 5
8/31	Time Value of Money & Discounted Cash Flow	Chapter 5



	P: 2-9, 11-13, 15-16	
9/12*	Chapter 5, HW, LS and Quiz Due	
9/05	Time Value of Money & Discounted Cash Flow	Chapter 6
9/07	Time Value of Money & Discounted Cash Flow	Chapter 6
9/12	Time Value of Money & Discounted Cash Flow	Chapter 6
	P: 1-5,7,10,12,14,20,24,34,40	
9/19*	Chapter 6 Quiz, HW, LS Due	
9/14	Returns and Basic Statistics	Chapter 12
9/19	Returns and Basic Statistics	Chapter 12
	P: 1,2,4,7,9,10,16	
9/26*	Chapter 12 Quiz, HW, LS Due	
9/21	Portfolio Risk & Return	Chapter 13
9/26	Portfolio Risk & Return	Chapter 13
9/28	Questions & Test Review	
	P: 1,2,6,7,11,13-15	
10/03*	Chapter 13 Quiz, HW & LS Due	
10/03-4	No Class EXAM 1 Exam window 2pm-2pm next day Exam 1	
10/05	Exam 1 Questions, Financial Statements & Cash Flow	Chapter 2
10/10	Financial Statements & Cash Flow	Chapter 2
10/12	Financial Statements & Cash Flow	Chapter 2
	P: 1-5,11-14,18	
10/17*	Chapter 2 Quiz, HW & LS Due	
10/17	Financial Ratio Analysis	Chapter 3
10/19	Financial Ratio Analysis	Chapter 3
	P: 1-8,18	
10/24*	Chapter 3 Quiz, HW & LS Due	
10/24	Interest Rates and Bond Valuation	Chapter 7
10/26	Interest Rates and Bond Valuation	Chapter 7
	P: 4,6,8,13,15,16,19,21,25,26	
10/31*	Chapter 7 Quiz, HW & LS Due	
10/31	Stock Valuation	Chapter 8
11/02	Stock Valuation	Chapter 8
	P: 2,4,6,8,12,15,18,21,23	
11/07*	Chapter 8 Quiz, HW & LS Due	
11/07-8	No Class EXAM 2 Exam window 2pm-2pm next day Exam 2	
11/09	Questions on exam & Net Present Value, IRR, etc.	Chapter 9



11/14	Net Present Value, Internal Rate of Return, etc.	Chapter 9
11/16	Net Present Value, Internal Rate of Return, etc. P: 2,4,6-8,10,11,12a,b	Chapter 9
11/21*	Chapter 9 Quiz, HW & LS Due	
11/21	Making Capital Investment Decisions	Chapter 10
11/23	No Class, Turkey Holiday	
11/28	Making Capital Investment Decisions P: 2,4,5-7,9-11,14,19	Chapter 10
11/28*	Chapter 10 Quiz, HW, LS Due	
11/30	The Cost of Capital P: 2,4,6,9,15,16	Chapter 14
11/30	Review & Problems	
12/05*	Chapter 14 Quiz, HW & LS Due	

December 06-7 Final Exam window 2pm-2pm next day Final Exam

*Underlined and Asterisk indicates that Quizzes, Homework and Learn Smart (LS) are due by these dates.

P indicates from the “Questions and Problems” at the end of each chapter and in Connect.

Selected University and College Policies

Code of Academic Integrity Policy Statement

Students at Florida Atlantic University are expected to maintain the highest ethical standards. Academic dishonesty is considered a serious breach of these ethical standards. Harsh penalties are associated with academic dishonesty. For more information, see University Regulation 4.001.

Disability Policy Statement

In compliance with the Americans with Disabilities Act (ADA), students who require special accommodation due to a disability to properly execute coursework must register with the Office for Students Accessibility Services (OSD) – in Boca Raton, SU 133, (561) 297-3880 and follow all SAS procedures.

Religious Accommodation Policy Statement

In accordance with rules of the Florida Board of Education and Florida law, students have the right to reasonable accommodations from the University in order to observe religious practices and beliefs regarding class attendance and the scheduling of examinations and assignments. For further information, please see Academic Policies and Regulations.

College of Business Minimum Grade Policy Statement



The minimum grade for College of Business requirements is a “C”. This includes all courses that are a part of the pre-business foundation, business core, and major program.

Withdrawals

Any student who decides to drop is responsible for completing the proper paper work required to withdraw from the course.

Grade Appeal Process

A student may request a review of the final course grade when s/he believes that one of the following conditions apply:

- There was a computational or recording error in the grading.
- Non-academic criteria were applied in the grading process.
- There was a gross violation of the instructor’s own grading system.

The procedures for a grade appeal may be found in Chapter 4 of the University Regulations.

Disruptive Behavior Policy Statement

Disruptive behavior is defined in the FAU Student Code of Conduct as “... *activities which interfere with the educational mission within classroom.*” Students who behave in the classroom such that the educational experiences of other students and/or the instructor’s course objectives are disrupted are subject to disciplinary action.

Faculty Rights and Responsibilities

Florida Atlantic University respects the right of instructors to teach and students to learn. Maintenance of these rights requires classroom conditions which do not impede their exercise. To ensure these rights, faculty members have the prerogative:

- To establish and implement academic standards
- To establish and enforce reasonable behavior standards in each class
- To refer disciplinary action to those students whose behavior may be judged to be disruptive under the Student Code of Conduct.