

BFIN 320 Principles of Finance

Spring 2008

TTh 9:30 – 10:45

Instructor: Kent Hickman
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Textbook Hickman, Hunter, Byrd, *Foundations of Corporate Finance*, 2nd ed.

Recommended: Texas Instruments BAII Plus or equivalent financial calculator. Do not wait until the last minute to buy a calculator...if you are thinking of purchasing one, do so before we start Chapter 4!!

Course Objective

The purpose of Principles of Finance is to provide students with a basic theoretical foundation to employ in financial decision-making. Of primary importance is the provision of the necessary mathematical and analytical tools needed to continue into advanced finance courses. These techniques are commonly encountered by professionals in all areas of business management. Also, the thought process and techniques introduced in this class can be readily applied to everyday personal decision-making situations.

Guides to the Course and Learning

The finance topics covered in this course should be important to your career and personal development. Most students expend considerable time and effort to understand the material. I will assist with learning the material, but you, the student, have the ultimate responsibility. The text and the problems are designed to assist you with learning the finance topics. Reading the assigned readings before class typically helps in digesting the information during the lectures. Class attendance is virtually essential for understanding finance concepts and problem-solving techniques.

Keys to the Course: Attend, read ahead, do the homework as you go!!!!!!

Grading

A	90-100	Exam I	30%
B	80-89	Exam II	30%
C	70-79		
D	60-69	Comprehensive Final	40%
F	Below 60		

Exams

No make-up exams will be offered. Students with a documented university approved excuse will have the weight of the missed exam shifted to the weight of the final exam. In all other cases, a grade of zero will be recorded for that portion of the class. You should contact the instructor as far beforehand as possible if you expect to miss an exam. The final is comprehensive.

Homework

Homework problems from each chapter will be assigned but will not be collected. Under Course Documents in Blackboard, you can find the assignments posted. Homework solutions will be on reserve at the Foley Library. You may check them out and copy them. Homework for each chapter includes *Questions*, which are concept-based, and *Problems*, which are quantitative. Selected questions and problems from the homework will be solved in class and students are also encouraged to ask the instructor to do any problems that they found difficult or confusing. Answers to odd problems are in the back of the book and may be used to check one's understanding. Finance is a skill, and, like any other skill, one's ability and mastery improves with practice. Therefore, it is vital that students complete their homework. The material on quizzes and exams will be drawn in large part either directly from the homework or will test the same concepts and techniques covered by the homework assigned. ***Practice, practice, practice!!***

Cheating – Cheating will not be tolerated. Be sure you are familiar with Gonzaga's academic honesty policy. Keep in mind that your reputation is your most important asset and it's foolish to 'sell' your reputation because, once sold, it may very difficult to get back. Think about it. Non-cheating students: don't tolerate a cheater! Cheaters diminish the value of your degree. If someone who is lazy, unethical, and ignorant can attain a degree from Gonzaga, what effect do you suppose that person's shoddy reputation will have on the institution's ("He graduated from Gonzaga? You've **got** to be kidding!!)? You or your parents are spending a lot of money for this degree...a cheater is, in a very real sense, stealing from you.

On Line Student Evaluations will be used in this course. You will be expected to complete an evaluation. Toward the end of the course an announcement will be made regarding the availability of the on-line evaluations as well as instructions on how to access the site.

FINAL EXAMINATION SCHEDULE: Call your parents tonight!! Let them know when your final exams are scheduled. NO LAST MINUTE FINAL EXAM RESCHEDULES!!

CLASSROOM COURTESY: LEAVING CLASS EARLY: NOTIFY PROFESSOR, BATHROOM BREAKS IN THE MIDDLE OF CLASS – BAD, BAD, BAD!!! IF YOU HAVE A MEDICAL PROBLEM, LET ME KNOW IN ADVANCE.

Course Outline

Jan	15 T	Chapter 1: A Financial Model of the Corporation
	17 Th	Chapter 1: Continued
	22 T	Chapter 2 Markets, Value and the Firm
	24 Th	Chapter 2: Markets, Value and the Firm
	29 T	Chapter 3: Pages 61-69 & 77

	31 Th	Chapter 3:
Feb	5 T	Chapter 4: Time is Money
	7 Th	Chapter 4: Continued
	12 T	Chapter 4: Continued
	14 Th	Chapter 5: Time Value Applications
	19 T	Chapter 5: Continued
	21 Th	Review/Catch Up Day
	26 T	Exam I
	28 Th	Chapter 7: Capital Budgeting
Mar	4 T	Chapter 7: Continued
	6 Th	Chapter 6: Risk and Return
	18 T	Chapter 6: Continued
	20 Th	Chapter 6: Continued
	25 T	Chapter 8: Cost of Capital
	27 Th	Chapter 8: Continued
April	1 T	Chapter 8: Continued
	3 Th	No Class
	8 T	Review/Catch Up Day
	10 Th	Exam II
	15 T	Chapter 10: Capital Structure
	17 Th	Chapter 10: Continued
	22 T	Chapter 13: Financial Analysis of Performance
	24 Th	Chapter 13: Continued
	29 T	Catch-up/Review
May	1 Th	Catch-up/Review
	5 - 7	Finals Week – Look Up Final and Plan Ahead!