

GONZAGA-IN-FLORENCE SYLLABUS

Course: BFIN320: Principles of Finance
Credits: 3 Credits
Instructor: Maria Screti



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TENTATIVE SYLLABUS

DAYS, TIMES & ROOM: Mo. 11.45 am – 12.45 pm
Tu. 11.45 am – 12.45 pm
Th. 11.45 am – 12.45 pm

OFFICE HOURS: by appointment

CONTACT: email -- mariascreti@gmail.com

TEXT: Hickman, Hunter, Byrd: “*Foundations of Corporate Finance*”, 2nd ed.

PREREQUISITES:

A financial calculator is necessary for this course. Homework and exams problems involve arithmetic and financial calculations and you must be able to use a financial calculator in order to solve them.

I suggest the HP 10B or the TI Business Analyst.

COURSE OBJECTIVES:

1. To provide the participant with a clear understanding of the basic principles of Finance and the role that finance plays in long term corporate strategies like: what should be the best investments for a company in order to achieve its goals and how should the company pay for those investments. By the end of this course you should be able to use the fundamental techniques and concepts, related to the financial analysis of business firms, to solve every day personal decision-making situations.
2. This course introduces the basic tools for making financial decisions: estimating cash flows, time value of money, capital budgeting, risk and return, cost of capital and capital structure analysis.
3. This course will also provide you with the necessary mathematical and analytical tools needed for any subsequent course you may take in finance.

GENERAL INFORMATION:

1. For deeper understanding of the material, teaching will be complemented by the discussion of cases and problems designed to assist you learning the finance topics.
2. The aims of the course can only be achieved through a joint effort. Therefore a prepared and constructive participation in class is expected. All reading assignments should be completed before class to enhance understanding of topics.
3. All written assignments are due in class on the scheduled dates. No make-up exams will be given except for true emergency situations. In these cases please contact me IN ADVANCE.
5. No extra credit is available and class attendance is essential for understanding the finance concepts and solving techniques.

GRADING:

The value of each component of your grade is as follows

Participation in class and periodic class exercise	20%
Exam 1	15%
Exam 2	15%
Class presentation	20%
Final Exam	<u>30%</u>
	100%

GRADES

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

PARTICIPATION:

Classes are conducted on the premise that regular attendance is expected and is very important to keep current on the assignments and to be prepared to discuss the material. Your participation in class will contribute to your final evaluation. All students begin the course with a C+ grade for participation. Active participation in class discussions will raise this grade. On the contrary frequent absence from class and poor participation will lower this grade.

PERIODIC ASSIGNMENTS/ CLASS EXERCISE AND PRESENTATIONS:

Finance is a skill and like any other skill one's ability and mastery improves with practice. For this reason approximately eight short assignments (one from each chapter) and two presentations will be given in order to provide you with an environment that will encourage and reward your own intellectual effort during the term. These assignments will be done in class and the midterm and final exams will have the same concept and techniques covered by them. Incomplete or sloppy work will lower your grade.

TESTS AND EXAMS:

Tests will be based on materials presented in the classroom (i.e. text book, discussions, etc.). The test format will be multiple choice question, short essay questions and problem type question. The midterm exams will be given early in the term to allow students to become familiar with the instructor's testing procedures. The final exam will consist of some questions on a few topics from the earlier tests given during the term, plus questions on any untested chapters, lectures, etc.

PENALTY FOR LATE WORK:

Late work on projects and other assignments will be penalized with a reduction of one letter. **ACADEMIC HONESTY (Ethical Student Behavior):**

Copying, cheating, plagiarizing, theft of class materials, etc. is punishable by: (1) a failing grade on the item in question, (2) a failing grade in the course, and/or (3) dismissal from the University in accordance with the established policies on academic dishonesty.

A tentative schedule is presented below. Depending on circumstances and class needs, it may be modified during the semester.

TENTATIVE SCHEDULE

<u>Class Session</u>	<u>Reading</u>	<u>General Topics</u>	<u>Important Dates</u>
		Course's Introduction: What is Finance?	
1	Chapter 1	A Financial Model of the Corporation	
2	Chapter 1	A financial Model of Corporation	
3	Chapter 2	Markets, Value and the Firm	
4	Chapter 2	Continue	
5	Chapter 3	Estimating cash flows	
6	Chapter 3	Continue	
7	Chapter 3	Continue	Class Exercise
8	Chapter 4	Time is Money	
9	Chapter 4	Continue	
10	Chapter 4	Continue	Class Exercise
11	Chapter 5	Time Value Applications	
12	Chapter 5	Continue	
13	Chapter 5	Continue	Class Exercise
14	Review		
15	Exam 1		Midterm Test
16	Chapter 7	Capital Budgeting	
17	Chapter 7	Continue	
18	Chapter 7	Continue	Class Exercise
19	Chapter 6	Risk and Return in the Capital Markets	
20	Chapter 6	Continue	
21	Chapter 6	Continue	Class Exercise
22	Chapter 8	Cost of Capital	
23	Chapter 8	Continue	
24	Chapter 8	Continue	Class Exercise
25	Review		
26	Exam 2		Midterm Test
27	Chapter 9	Risk, Inflation, and the Corporate Capital Budget	
28	Chapter 9	Continue	
29	Chapter 9	Continue	Class Exercise
30	Chapter 10	Capital Structure	
31	Chapter 10	Continue	
32	Chapter 10	Continue	Class Exercise
33	Chapter 11	Dividend Policy: Distribution to Shareholders	
34	Chapter 13	Financial Analysis of Performance	Class Presentation
35	Chapter 13	continue	
36	Chapter 13	continue	
37	Review		
38	Review		
39	Review		
	FINAL EXAM		FINAL EXAM