

**Gonzaga University**  
**School of Business**  
**Gonzaga-in-Florence Summer 2009**

**Course:** BFIN 320 Principles of Finance

**Schedule:** MTWTh: 8:20 am-9:50am

**Office Hours:** MTWTh: 10:00 am – 11:00 am, by appointment, and “open door” policy.

**Instructor:** Dr. Dan (Danielle) Xu

**E-Mail:** [xu@jepson.gonzaga.edu](mailto:xu@jepson.gonzaga.edu)

**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.

**Course Materials:**

- 1. Textbook:** Ross, Westerfield and Jordan, Essentials of Corporate Finance, 6<sup>th</sup> Edition, 2008.
- 2. Financial Calculator:** Texas Instruments BAII Plus or equivalent financial calculator. You should bring your calculator with you to class and know how to operate it *prior to* exams. Calculator manuals are NOT authorized references for examinations. PDAs with calculator functions are prohibited during exams and you may NOT share a calculator with other students.
- 3. Lecture Notes and teaching materials:** available on Blackboard
- 4. Business Week and Wall Street Journal:** A daily reading is highly recommended.

**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.

## Grading:

A	$x \geq 92$	Exam I	100 points
A-	$90 \leq x < 92$	Exam II	100 points
B+	$88 \leq x < 90$	Homework	5 points ea. (50 total)
B	$82 \leq x < 88$	Quizzes	5 points ea. (best 10 of 11 quizzes)
B-	$80 \leq x < 82$	Final Exam	100 points
etc.		Total points	400 points

## **Exams:**

1. Nature of exams: The material in this course is largely comprehensive in nature; however, all questions will be phrased in the context of the material covered in the section preceding the exam. The exams are designed to make you think and apply the knowledge you gain from the course. You are allowed to bring one page of notes (8.5 by 11 inches, both sides) for your use during exams. You must hand in your note sheet along with your exam.
2. Grading errors: If you believe that any of your work is graded or recorded incorrectly, you may submit a written request (email is okay) for review within one week of the time the graded work is returned in class. Any request that is turned in after this time limit will not be considered. You will be notified when the response to your request is available.
3. Make up Exams: In order to qualify to take a make-up exam, you must contact me prior to the exam and provide documentation that the absence is University-excused upon request. If the absence is not excused according to university guidelines, the exam grade will be recorded as zero.

## **Homework:**

Selected homework problems from each chapter will be assigned and collected. Homework problems are due always at the beginning of the class period. Late materials will be downgraded. Students who expect to be late on regular basis due to their work schedules etc. should clear it with the instructor as early in the semester as possible. You may work on assignments in groups, but keep in mind that you are expected to master the problems on your own.

## **Quizzes**

Eleven quizzes will be given during the semester, and the best ten of them will contribute to your

final grade. These quizzes will be unannounced or announced and they will take the first five to ten minutes of a class period. They will consist of questions from the materials covered in the previous lecture. Students who either miss the day of a quiz or come in after the class has taken a quiz will receive a grade of zero for the quiz.

**Class Participation:**

Students are encouraged to participate in classroom discussion. While not a part of the grading summary above, class participation, including attendance, promptness and involvement in the class discussions, can improve a student's class grade by up to a half grade. Grading of class participation will be based more on the quality than on the quantity of the participation. Lecture notes for each chapter will be available at the class web site on Blackboard. The best way to prepare for class participation is to read the chapters to be covered in class and familiarize you with the lectures beforehand.

**Academic Honesty Policy:**

Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course an/or dismissal from the University. Since dishonesty harms the individual, all students, and the integrity of the University, **Academic Honesty Policy** will be strictly enforced. A complete description of this policy is available in the Gonzaga University Student Handbook and in the Information for Students section of the Academic Vice President's website:

<http://www.gonzaga.edu/files/Campus+Resources/Offices+and+Services+A-Z/Academic+Vice+President/Information+for+Students/Academic+Honesty+Policy.doc>

**Mission Statement:**

We develop professionally competent and intellectually curious graduates who exemplify the humanistic, ethical, and moral values of a Jesuit institution. We provide a challenging and supportive learning environment, with quality students and faculty marking our excellence. As part of a global environment, we promote relationships with regional, national, and international business and scholarly communities.

**Schedule (Tentative and subject to change)**

<b>Week No.</b>	<b>Date</b>	<b>Topics</b>	<b>Readings</b>	<b>Comments</b>
1	May 18,19,20,21	1.Course Overview 2. Introduction 3.Time Value of Money	Syllabus Chapter 1 Chapter 4	
2	May 25,26,27,28	Time Value of Money(II)	Chapter 5	
3	Jun 1,2,3,4	Valuing Bonds	Chapter 6	
4	Jun 8,9,10,11	Valuing Stocks Capital Budgeting Decisions (I)	Chapter 7 Chapter 8	
5	Jun 15,16,17,18	Capital Budgeting Decisions (II) Risk and Return	Chapter 9 Chapter 11	
6	Jun 22,23,24,25	Cost of Capital Review	Chapter 12	