

Business 350 - Principles of Finance
Monday/Wednesday 15:30–16:45 – CPS 322
University of Wisconsin – Stevens Point
Spring 2019

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PLEASE READ THIS SYLLABUS CAREFULLY AND RETAIN IT FOR FUTURE REFERENCE; IT CONTAINS YOUR RESPONSIBILITIES TO SUCCESSFULLY COMPLETE THIS COURSE. THIS SYLLABUS IS SUBJECT TO ANY CHANGES ANNOUNCED IN CLASS OR THROUGH CAMPUS E-MAIL; IT IS YOUR RESPONSIBILITY TO BE AWARE OF ANY CHANGES THAT ARE ANNOUNCED.

SBE Mission Statement

The UW-SP School of Business and Economics educates and inspires students and prepares graduates for success in positions of leadership and responsibility. We serve the students, businesses, economy and people of the greater central Wisconsin region. Our students achieve an understanding of regional opportunities that exist within the global economy.

Evidence of our graduates' level of preparation will be found in their ability to...

- Analyze and solve business and economics problems
- Understand the opportunities and consequences associated with globalization
- Appreciate the importance of behaving professionally and ethically
- Communicate effectively

SBE Program Assurance of Learning Objectives

1. *Students will be able to apply core concepts, models and methods from business, accounting and economics in identifying and solving problems.*

Bus 350 Learning Outcome

Core concepts, models and methods in finance will be used throughout the course:

- financial statement analysis, including an understanding of information contained in the financial statements and ratio analysis
- financial markets, including factors influencing interest rates and stock market performance and the relationship between risk and return
- the time value of money, including concepts and computations
- stocks and bonds, including concepts and valuation techniques
- capital budgeting, including the cost of capital and valuation techniques

- 2a. *Students will be able to identify the regional benefits from a greater presence of local business in global markets.*

Bus 350 Learning Outcome

Factors affecting the U.S. financial markets and the importance of the financial markets in economic development and valuation will be discussed.

2b. Students will be able to describe the structural changes in the local economy that results from globalization.

Bus 350 Learning Outcome

Factors affecting the U.S. financial markets and the importance of the financial markets in economic development and valuation will be discussed.

3a. Students will be able to appreciate the importance of behaving professional and ethically.

Bus 350 Learning Objective

Corporate governance and the financial and economic crisis are discussed.

3b. Students will be able to work effectively with others in team settings.

Bus 350 Learning Objective

4a. Students will be able to craft and present an effective professional oral presentation.

Bus 350 Learning Objective – not applicable

4b. Students will be able to successfully write an effective professional report.

Bus 350 Learning Objective

Course Description

The course covers the financial principles applicable to the operation of business units – primarily corporations. It will cover the fundamentals of financial management, financial markets, risk and return, the time value of money, stocks and bonds, cost of capital, and capital budgeting. Prereq: Acct. 210

Required Materials

Textbook: **Brigham, Houston, Fundamentals of Financial Management,
(Concise Ninth Edition). I expect you to bring the textbook to class every day.**

Financial Calculator: You must have and know how to use a financial calculator, beginning with chapter 5. You should have a financial calculator capable of doing present value, future value, and internal rate of return calculations. It does not matter which financial calculator you have; however, you should have or download the corresponding owner's manual or tutorial. Tutorials can be found on the internet. The following calculators have been typically used for this class.

Hewlett-Packard 10BII
Hewlett-Packard 12C
Hewlett-Packard 17BII
Sharp EL-733A
Texas Instruments BAII Plus

If you decide to use a financial calculator app rather than an actual financial calculator, it is your responsibility to make sure the app you select is appropriate for the homework in this course. You

need a financial calculator, which means it can do time value of money problems, like present value and future value as well as complex cash flow problems.

You may also choose to use a calculator purchased from another class (e.g., scientific or graphing calculators). Here again, make sure it performs the calculations necessary for this class.

I am familiar with most financial calculators, but I am not familiar with all calculators or apps. I will help you with your calculator when I can.

You will need use the financial calculator for individual homework problems and exam problems. THE FINANCIAL CALCULATOR WILL BE REQUIRED BEGINNING WITH **CHAPTER 5**. Prior to Chapter 5, any calculator will do.

The textbook and the problems which will be covered provide guidance as to how to use a calculator to solve various financial problems. Note however, since a specific model of calculator is not required,

YOU ARE RESPONSIBLE FOR LEARNING HOW TO USE YOUR CALCULATOR.

As a result, you should have or download either the owner's manual or calculator's tutorial. Financial calculators are similar but can have their own specific nuances. Students have generally found the tutorials to be useful in learning how to use their calculator and usually find the tutorials to be easier to follow than the owners' manual. The tutorials are concise (generally only 12-15 pages) and are specifically designed to guide you with using your calculator for problems in this course.

Class Format

This class will be taught in a face-to-face format. For each chapter, materials will consist of 1) PowerPoint Slides, 2) Chapter Study Guide, and 3) Homework Solutions. I also generate my own class materials. I also will post past exams on D2L. All materials will be available in D2L.

To succeed in this class, you must study materials (PowerPoint slides, Chapter Study Guide, and Homework, my notes) **prior** to the discussion of the relevant chapter in class. The PowerPoint slides and study guides are very detailed to provide you with an explanation of the material. The Chapter Study Guides will help your understanding of the material covered in the PowerPoint slides and provide guidance as to what is important through the Study Questions. I will provide the solutions to the homework to help you work review the homework.

The class will be conducted in the following manner.

- Prior to class, your responsibilities are to
 - Read the Chapter in the Book and the Chapter Study Guide. The study guide provides an expanded explanation of the material covered in the slides and has critical Study Questions relating to the PowerPoint Slides. The purpose of the Study Questions is to provide you with guidance as to what is important, what you need to know, and what you will be tested on.
 - Study the PowerPoint slides for the assigned chapters.
 - Complete the assigned reading
 - Attempt to do the individual homework problems prior to its discussion in class.
- I will lecture about a topic and present in-class problems reviewing the materials presented.

- Class time will be spent on:
 1. Reviewing Chapter notes

2. Reviewing PowerPoint slides
3. Discussing the Study Questions
4. Going over individual homework solutions
5. Reviewing in-class problems
6. Visiting relevant websites for additional information and current events

In class, I will review the my notes with an expectation that you have read the Chapter Study Guide and reviewed my notes. By being familiar with the material prior to it being discussed in class, you will get more out of class and the material. In addition, our review of the slides will be quicker and more efficient based on the expectation that you have already looked at the material prior to class.

Do not fall behind in studying the material; you won't catch up.

Individual homework problems may be collected from randomly selected students will add to your exam grade. Other than those collected at the beginning of the class, assigned individual homework problems will be discussed but NOT collected. However, if you want to do well on the exams, it is highly recommended that you do the individual homework AND do additional end-of-chapter chapter problems.

The more end-of-chapter problems you do, the better you'll do in this class.

Exam questions will be based on the Study Questions from each Chapter Study Guide, homework questions and problems, end-of-chapter problems, my notes, websites and current events discussed in class.

Your Responsibilities

For this course:

- 1) Read the assigned chapter BEFORE it is discussed in class.
- 2) Study my notes and Chapter Study Guide before the chapter is discussed in class.
- 3) Do the homework before it is discussed in class. If you have questions about the homework, don't hesitate to email me or stop by my office.
- 4) Attend class.
- 5) BEFORE EACH EXAM, diligently study the Study Questions from the Chapter Study Guide, homework questions and problems, and any additional materials (such as current events and websites) discussed in class. Exam questions are from this material. I have been known to select a homework problem for the exam. There will be old exams with answers on D2L
- 6) Take the exams on the designated day and time.

Do not cram for the exams. It is not an efficient way to study and you will not do well.

Attendance

Students are required to attend each class. I will be taking attendance for most classes. Each student is allowed two absences for any reason. This is in addition to the university attendance policy found on the website below. For any absence beyond the two listed above, you will lose 2.5% *per absence* on your final grade. Exceptions will be made for any documented university-sanctioned event or serious illness.

You are expected to take the exams on the dates given. If you must miss an exam, the weight of the exam will be added to the final exam. If you must miss the final, you will receive a zero on the final. Please be respectful towards others in class by minimizing talking and turning off electronic devices.

Pro Events (Formerly SBE Events)

Several UWSP departments and programs, including the School of Business & Economics, sponsor **Professional Pointer Events** (or **Pro Events**).

Pro Events connect you to:

- *Campus* (e.g., academic coaching, student clubs);
- *Community* (e.g., Rotary, Business Council): and
- *Careers* (e.g., internships, networking).

As an SBE student, you will be able to choose from a wide variety of speakers, workshops and special events. With over 300 events per year on the Pro Events calendar, you will have significant flexibility in selecting your events. Whatever you choose, Pro Events will help you to make the most out of your time as a student and to prepare for transitioning into a successful career.

Visit the Pro Events web site (proevents.uwsp.edu) for announcements of upcoming events. You can also follow us on social media:

- Facebook: [UWSP School of Business & Economics](#)
- Twitter: [@UWSPBusiness](#)

For this course, you must attend **two** official Pro Events. One event must be before the mid-semester cut-off of **March 8**; a second event must be before the end-of-semester cut-off (**May 10**). If you go to extra events before the mid-semester cut-off, those credits will carry over into the second half of the semester. Attendance at each event will count for 2.5% towards your final grade.

Typically, when you attend an event, you will sign in with your Point Card and thereby receive your Events credit. Occasionally, there are events requiring that you take along an Events Attendance form and obtain a signature at the event; events requiring an Events Attendance form will be clearly labeled and the form will be available online.

Attendance at Pro Events will be confirmed with automatic emails to you and updated on the Pro Events web site. Please allow a week for confirmation of attendance at events held outside the SBE, such as Career Services events. If you have a question about Pro Events attendance, please email proevents@uwsp.edu.

If you have multiple courses or affiliations with Pro Events requirements, it is your responsibility to make sure you have attended enough events for each course/affiliation. If you have not attended enough events to cover all your requirements, your attendance will be allocated to your courses in alpha-numeric order followed by any other affiliations.

After the mid-semester cut-off and the end of this semester's events, I will receive reports confirming your attendance. You do not need to do anything else.

ADA Statement:

The American Disabilities Act (ADA) is a federal law requiring educational institutions to provide reasonable accommodations for students with disabilities. For more information about UWSP's policies, see: <https://www.uwsp.edu/datc/Pages/uw-legal-policy-info.aspx> UW-Stevens Point will modify academic program requirements as necessary to ensure that they do not discriminate against qualified applicants or students with disabilities. The modifications should not affect the substance of educational programs or compromise academic standards; nor should they intrude upon academic freedom. Examinations or other procedures used for evaluating students' academic achievements may be adapted. The results of such evaluation must demonstrate the student's achievement in the academic activity, rather than describe his/her disability.

If modifications are required due to a disability, please inform the instructor and contact the Disability and Assistive Technology Center to complete an Accommodations Request form. The Disability and Assistive Technology Center is located on the 6th Floor of Albertson Hall. For more information, call 715-346-3365 or visit: <https://www.uwsp.edu/datc/Pages/default.aspx>

Inclusivity/Nondiscrimination Statement: It is the responsibility of the instructor to present materials and activities that are respectful of diversity, such that students from all diverse backgrounds and perspectives be well-served by this course. No person shall be discriminated against because of race, ethnicity, color, age, religion, creed, gender, gender identity, sexuality, disability, nationality, culture, genetic information, socioeconomic status, marital status, veteran's status, or political belief or affiliation and equal opportunity and access to facilities shall be available to all. To address concerns regarding any of these issues please call 715-346-2606 or visit: <http://www.uwsp.edu/hr/Pages/Affirmative%20Action/About-EAA.aspx>

Religious Beliefs Accommodation: It is UW System policy (UWS 22) to reasonably accommodate your sincerely held religious beliefs with respect to all examinations and other academic requirements. A direct link to this policy can be found here: https://docs.legis.wisconsin.gov/code/admin_code/uws/22

Help Resources

The Tutoring and Learning Center helps with Study Skills, Writing, Technology, Math, & Science. The Tutoring and Learning Center is located at 018 Albertson Hall. For more information, call 715-346-3568 or visit: <https://www.uwsp.edu/tlc/Pages/default.aspx>

Or you could talk to me! My office hours are M-F 10:30-11:30 or by appointment. My office number is CPS 436.

If you need healthcare, UWSP Student Health Service provides student-centered healthcare that empowers and promotes wellness for all UWSP students. Student Health Service is located on the 1st floor of Delzell Hall. For more information, call 715-346-4646 or visit: <http://www.uwsp.edu/stuhealth/Pages/default.aspx>

Help Resources (Continued)

The UWSP Counseling Center is staffed with licensed mental health professionals dedicated to assisting students as they navigate difficult circumstances or resolve personal concerns. Therapy and consultation services are free of charge for registered students. The UWSP Counseling Center is located on the 3rd Floor of Delzell Hall. For more information, call 715-346-3553 or visit: <http://www.uwsp.edu/counseling/Pages/default.aspx>

In addition to the support services provided by Student Health Service and the UWSP Counseling, there are also professional support services available to students through the Dean of Students.

The Office of the Dean of Students supports the campus community by reaching out and providing resources in areas where a student may be struggling or experiencing barriers to their success. Faculty and staff are asked to be proactive, supportive, and involved in facilitating the success of our students through early detection, reporting, and intervention. As such, an instructor may contact the Office of the Dean of Students if he or she senses that a student needs additional support beyond what the instructor is able to provide. For more additional information, please go to <http://www.uwsp.edu/dos/Pages/default.aspx>

UWSP students may also share a concern directly if they or another member of our campus community needs support, is distressed, or exhibits concerning behavior that is interfering with the academic or personal success and/or the safety of others. Please report any concerns of this nature at <https://www.uwsp.edu/dos/Pages/Anonymous-Report.aspx>

Academic Misconduct: Any student caught cheating or assisting another student to cheat or allowing another student to cheat will be removed from the class and will fail. Academic Misconduct is defined as violating provisions of Chapter UWSP 14, Rules of the Board of Regents of the University of Wisconsin System, Wisconsin Administrative Code: <https://www.uwsp.edu/dos/Documents/UWS%2014-1.pdf>

UWSP Community Bill of Rights and Responsibilities

Safety Statement: I will immediately notify the authorities about any student who threatens or perpetrates psychological or physical harm to any person (including the student himself or herself).

GRADING, EXAMS, SBE EVENTS

Four exams will be given in the course: three mid-term exams and a final. Each mid-term exam will be worth 20% of your grade. The final will be worth 40% of your grade and will be comprehensive.

If you miss a mid-term, the weight of the mid-term will be added to the final. If you miss more than one midterm, I will add the weight of the first missed midterm and forecast your grade on the latter mid-term(s) based on your total performance on the midterms. Missing the final exam will result in a final exam grade of zero.

There are no makeup exams given.

Each exam will contain a current events question, which will represent 5% of each exam. All exams will be given on their scheduled dates unless the entire class is notified otherwise.

NO CELL PHONES ALLOWED DURING EXAMS. USE OF A CELL PHONE DURING AN EXAM WILL CONSTITUTE ACADEMIC MISCONDUCT.

EXAMS ARE OPEN BOOK; OPEN NOTE. YOU MAY USE A FINANCIAL CALCULATOR DURING EACH EXAM. YOU MAY ALSO USE PUBLICATIONS OR NOTES FOR THE CURRENT EVENTS QUESTIONS.

EACH EXAM WILL HAVE TRUE/FALSE QUESTIONS, PROBLEMS AND CURRENT EVENTS QUESTIONS. YOU WILL HAVE ONE HOUR AND 15 MINUTES TO COMPLETE THE MID-TERM EXAMS; TWO HOURS FOR THE FINAL EXAM.

THERE WILL BE EXAMS FROM PREVIOUS YEAR(S) POSTED ON D2L. I STRONGLY ADVISE YOU TO REVIEW THEM AS PART OF YOUR STUDYING FOR THE EXAM.

OTHER THAN INDIVIDUAL HOMEWORK ASSIGNMENTS, IN-CLASS PROBLEMS AND POP QUIZZES, EXTRA CREDIT IS NOT AVAILABLE FOR THIS COURSE. YOU NEED TO UNDERSTAND THE MATERIAL PRESENTED ON A TIMELY BASIS AND PERFORM WELL ON THE EXAMS AND CASE IF YOU WANT TO DO WELL IN THE COURSE.

Grading: You will receive the higher grade calculated using the following two methods:

Method 1:	95-100%	A
	90-94%	A-
	87-89%	B+
	83-86%	B
	80-82%	B-
	77-79%	C+
	73-76%	C
	70-72%	C-
	67-69%	D+
	60-66%	D
	Below 60%	F

Method 2: Your final percentage score divided by the median score multiplied by 80% and ranked on the above scale. For example, if your final percentage is 70%, and the class median percentage is 60%, then your curved percentage would be $(70/60)*80$, or $93\frac{1}{3}\%$, and you would receive an A-.

Students copying or supplying answers to others either during an exam or for individual homework assignments are subject to academic misconduct charges. Don't do it.

Chapters, Topics, and Homework Problems

The chapters and homework listed below are tentative and subject to any changes announced in class or through e-mail. It is your responsibility to be aware of any changes that are announced.

Individual Homework

The following list of questions and problems may be revised during the semester. Any changes or revisions will be announced in class.

You are expected to do this work individually.

Randomly selected students will be asked to turn in their homework questions and problems; I will add the score as extra credit on the final grade for those students selected who turn in their homework. Otherwise, homework will NOT be collected; they will be discussed in class and the answer key will be posted on D2L.

Chapters	Topics	Questions	Problems
Chap. 1	Intro		
Chap. 2	Financial Markets	3, 4, 5, 8, 9	
Chap. 3	Financial Statements, Cash Flow and Taxes	3, 4, 5, 7, 8	4, 6, 11, 12, 16, 17
Chap. 4	Analysis of Financial Statements	1, 2, 4, 6	23, 24,
Chap. 5	Time Value of Money	7	1, 2, 3, 5, 6, 8, 11, 12, 13, 23, 26, 34, 37
Chap. 6	Interest Rates	2, 4, 7, 8, 9, 10	
Chap. 7	Bonds	3, 4, 6, 8, 14	1, 4, 5, 9, 12
	Finance Math Handout		Complete
Chap. 8	Risk and Rates of Return	5, 8	2, 3, 7, 12, 17
Chap. 9	Stocks		2, 5, 8, 10, 19, 20
Chap. 11	Capital Budgeting	3, 4, 5	1, 2, 4, 7 (NPV, IRR and Payback), 11

TIMETABLE – MONDAY/WEDNESDAY SECTION 4

Monday	Topics	Wednesday	Topics
Jan. 21	No Class – MLK Day	Jan. 23	Intro & Begin Ch. 1
Jan. 28	Finish Ch. 1 & Begin Ch. 3	Jan. 30	Finish Ch. 3 & Begin Ch. 4
Feb. 4	Finish Ch. 4 & Begin Ch. 2	Feb. 6	Finish Ch. 2
Feb. 11	Begin Handout and begin exam review	Feb. 13	Exam 1 (Ch. 1-4)
Feb. 18	Review Exam Begin Ch. 5	Feb. 20	Continue Ch 5
Feb. 25	Finish Ch. 5	Feb. 27	Begin Ch. 6
March 4	Finish Ch. 6 & Begin Ch. 7	March 6	Finish Ch. 7 & Begin Finance Math Handout
March 11	Finish Finance Math Handout	March 13	Turn in Finance Math Handout Problems
March 18	Spring Break – No Class	March 20	Spring Break – No Class
March 25	Review for exam	March 27	Exam 2 (handout and Ch. 5-7)
April 1	Begin Ch. 8	April 8	Finish Ch. 8
April 8	Begin Ch. 9	April 10	Finish Ch. 9
April 15	Begin Ch. 11	April 17	Continue Ch. 11
April 22	Finish Ch. 11	April 24	To be announced (TBA)
April 29	Review for exam	May 1	Exam 3 Ch. 8, 9 and 11
May 6	TBA	May 8	TBA
Final Exam: Wednesday, May 15, 2019 from 10:15AM through 12:15 AM.			

For every hour of time spent in the classroom, I expect you to spend at least TWO hours of study outside of class.

The final exam will be given at the scheduled time: Wednesday, May 15, 2019 from 10:15AM through 12:15 AM. It will be an open-book, open-note exam, and will be comprehensive.

Questions concerning grades should be brought to me as soon as possible after the end of the semester because exams, answers sheets, etc. will be thrown away eight weeks after the beginning of the next semester.

Note: any item on this syllabus is subject to change at the discretion of the instructor with appropriate notification of the class.