

Finance 350.05 & 06 - Spring 2005¹

San Francisco State University

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Overview:

Fin 350 is a survey course for general business students, not just finance majors. The course provides an introduction to the basic concepts and principles of corporate financial management under uncertainty. It will emphasize breadth, rather than in-depth coverage. Consequently, it will cover a lot of ground.

We will begin with a general overview of the corporation, and then go into more detail: financial statement analysis, financial instruments, capital budgeting, along with various techniques used in financial decision making.

My hope is that by the end of the class you have a basic grasp of finance principles that will go beyond just memorizing a number of facts and formulas. My goal is give you the financial and economic intuition necessary to better understand current events in Finance. Hopefully, by the end of the semester, you will want to take additional classes in Finance!

Prerequisite:

A grade of C- or better in ACCT 101, ECON 101, BA/DS 110, BA/DS 212, and ISYS 263 (Excel) -- [bulletin](#). Computer spreadsheet proficiency is required. Email access is required and mandatory ([get an account](#)).

CR/NC and Withdrawal Policy:

A student may only withdraw from a business course once. For details, please see the attached "College of Business (COB) Withdrawal Policy."

Textbook:

1. **Required:** "Fundamentals of Financial Management, Concise 4th Edition," by Brigham and Huston, Thomson Southwestern Publisher © 2004. The text is available in the Text Book Section of the "SFSU Bookstore ([Link to bookstore](#)).
2. **Suggested:** "Blue Prints: Fundamentals of Financial Management, Concise 4th Edition," by Brigham and Huston, Thomson Southwestern Publisher © 2004. "Blue Prints" contains hardcopies of the lecture slides I will be using in class. It will tremendously ease the chore of taking good lecture notes, and it is available Text Book Section of the "SFSU Bookstore ([Link to bookstore](#)). However, if your textbook contains a CD-ROM, the "Blue Prints" are already included.

¹ Tentative and subject to change.

Class Website (<https://www.sfsu.edu/online/bb.htm>):

The class will be managed using a [Blackboard@ website](#). You are automatically enrolled in the Blackboard class when you register for the class. Four major functions are handled by the Blackboard site: announcements, online testing, course documents, and online discussion.

1. **Official Announcements** will be posted on the Blackboard website. This could include changes to the schedule or clarifications of class-related issues. *It is the student's responsibility to check the website at least once/week to stay current with the class.*
2. **Testing** for this class will be managed using the Blackboard website. The 10 “mini-exams” will each be available for a minimum of two weeks beginning the Monday of the week the material is first presented in class. Sign-up times for the final exam will be available approximately the 13th week of class.
3. **Supplementary Course documents** may be available for download on the Blackboard website.
4. **Discussion Board** is available on the Blackboard website for students to talk with each other about topics related to the course. Students are encouraged to participate in these threaded discussion groups and are welcome to introduce topics that may be of interest to the class.

Teaching Methodology:

Lecture, in-class problem solving, and class discussions. Lectures will generally follow the “Blue Print” slides, which are based on the **integrated case**, the very last problem of the end-of-the-chapter problems. In-class problem solving will involve the (1) end-of-chapter problems, (2) Spreadsheet Problem (2nd to last problem from the end-of-chapter problems), or (3) selected mini-exam questions

Course Expectations:

The structure of this class makes your individual study and preparation outside class extremely important. The lecture material will focus on the major points introduced in the text. Reading the assigned chapters and having some familiarity with them before class will **greatly** assist your understanding of the lecture. After the lecture, you should study your notes and work relevant problems from the end of the chapter and take advantage of the practice mini-exams.

Time Commitment & Workload:

Expect to spend at least 3 hours per week reviewing the textbook and lecture materials. You will also probably need to devote approximately 3 hours per week for the mini-exams (taking and reviewing your answers).

Homework and Exams:

1. **Homework:** No formal homework assignments are required. However, to enhance your understanding of the material presented in the text book and lectures, the Finance & Accounting Tutoring Lab (SCI 202, 415-338-1079) provides free tutorial service, as well as, solutions to the end-of-the-chapter problems. A fee-for-use copy machine is available in the lab. You are encouraged to try your hand at the end-of-the-chapter problems.

2. **Exams:** The course will have **10 onlinw mini-exams** and **1 proctored online final exam**.

- **MINI-EXAMS:** Over the semester, there will be 10 “Mini-exams.” Each mini-exam will cover the material presented in class for a given week. The mini-exams will be available for at least two full weeks. In order to take one of these mini-exams, you must log into the Blackboard Website for the class. Clicking on the appropriate mini-exam will call up a 10-question quiz randomly drawn from a pool of questions covering that topic area. You have **30 minutes** to complete the mini-exam. If you go even one second over 30 minutes, your score won’t count and you’ll have to take the mini-exam over again in order to get a grade.


The mini-exams consists of 10 multiple choice questions, which are randomly drawn from a pool of questions covering the week’s content. At my discretion, approximately 80% of the material on the mini-exams will come directly from the textbook (including text material not specifically covered in the lecture) and 20% will be based on the lectures.

You may take each mini-exam as many times as you wish during the two-week window. Yup, you read it right; you can re-take each mini-exam an unlimited number of times. Each time you take the mini-exam, you will see a different set of questions. The only catch is the score from the most recent mini-exam will count towards your final grade. So if you have an 8 on a mini-exam, re-take it and get a 7, you are stuck with the 7 (unless, of course, you take the mini-exam again).

There will be no make ups for the mini-exams. If you are unable to find a time to take a mini-exam at least once during the two-week period, you will receive zero points for the mini-exam. If you wait until the very last minute to take a mini-exam, you do so at your own risk even if problems arise that you have no control of (see below).

NOTE: Be sure to verify that your grades have been recorded properly in the “View Grades” tab of the Blackboard Website: Tools/View Grades. Please check your grades every time you visit the class website (at least weekly). If you notice a problem, report it to the class manager immediately.

If you see an exclamation point “!” or the words “needs grading” for a mini-exam, it means you went over 30 minutes and your score doesn’t count. If you go over time, blackboard will tell you how many you got right and the time it took to complete the mini-exam. It may not be obvious that you went over time. Please verify your grades before the mini-exam expires. You must notify me by email (alanjung@sfsu.edu) to remove the “!” from your mini-exam, otherwise you will receive a score of “0.”

If you see a lock symbol  or the words “in progress,” it means that there was a problem with the connection and the computer thinks you are still taking the mini-exam. In most cases, it means the connection was broken while the mini-exam was in progress. You will need to send an e-mail to me to get the lock cleared. Failing to do so, will result in a score of “0.” It may take up to one business day to get the lock cleared from your

blackboard account. This is why we urge you not to wait until the last day to attempt a mini-exam, especially if your internet connection is unstable.

- **Practice Mini-exams:** There will be a practice version of each mini-exam available through the Blackboard class website. The practice mini-exams are exactly the same as the graded mini-exams, except they do not count toward your grade. You can use the practice mini-exams to stay familiar with the material in preparation for the final exam. Once a practice mini-exam has been posted, it will be available for the remainder of the semester.
- **Final Exam:** There will be a comprehensive final exam for the class. In order to take the final exam, students must sign up and reserve a finals week time slot. You will be notified when to reserve your time slot.

The exam will most likely be held in the College of Business's computer lab, room BUS 214. A schedule available time slots will be available approximately the 13th week of class. When you go to the lab, ***you will need to show a valid SFSU ID*** to the proctor assigned to the lab. You will then be given the password for the final exam.

The final exam will consist of 25 questions *randomly drawn from the same pool of questions used for the mini-exams. However, the final may include questions that you have not seen in your mini-exams.* The final exam will be administered through the Blackboard website. You will have **75 minutes (1 hour & 15 minutes)** to complete the final exam. If you leave the Blackboard website during the final exam, lose your internet connection, or your exam just disappears, you may have to start over. If it is necessary, a pencil and paper version of the final exam may be substituted at the instructor's discretion.

There will be ***no make-up final exam.*** It is your responsibility to find a time during finals week to take the online final exam.

Grading (tentative):

Your final course grade will be based on

	Percent of Course Grade
class participation	10%
mini-exam	40%
final exam	50%
Total Percentage Score	100%

The formula for calculating your overall course percentage score is:

$$\text{Total Percentage Score (\%)} = \left(\frac{\text{class participation score}}{100} \right) (0.10) + \left(\frac{\text{mini-exam score}}{100} \right) (0.40) \\ + \left(\frac{\text{final exam score}}{25} \right) (0.50)$$

- ◆ Your final course grade is based on a **curve**, where the “Total Percentage Scores” of my FIN 350 sections are aggregated and curved together.
- ◆ **Automatic Course Grade of F**
 - **Students earning 24% or less (score of 6 or less) on the final exam or**
 - **Total Percentage Score of 50% or less, or**
 - **Violation of Academic Dishonesty Policy**
- ◆ At my discretion, to earn a grade higher than **B+** in the course, you must earn at least an **A-** on the final exam.
- ◆ Students must earn a C- or better in Fin 350 to Graduate from the College of Business.

Academic Dishonesty:

Students are expected to do their own work. Academic dishonesty (including but not limited to cheating, plagiarism, fraudulent excuses) will result in an “F” for the class, and the case will be forwarded to the student discipline officer. The questions for the mini-exams are copyrighted by the authors. Unauthorized reproduction is prohibited.

Tentative Course Schedule:

See accompanying table next page.

Finance 350 Tentative Course Schedule			
Any Changes will be Announced in Class & Posted on the Blackboard Website			
Week of	Required Reading¹	Topics	Mini-Exams
1/31	Course Syllabus Ch 1	Fin 350 Policies and Expectations Overview of Financial Management	
2/7	Ch 2 + Integrated Case (pp. 70-73)	Financial Statements	Exam 1 (Ch2): 2/13 – 2/27
2/14 2/21	Ch 3 + Integrated Case (pp. 112-115)	Analysis of Financial Statements	Exam 2 (Ch 3): 2/20 – 3/6
2/28	Ch 5 + Integrated Case (pp. 213-215)	Risk and Return	Exam 3 (Ch 5): 3/6 – 3/20
3/7 3/14	Ch 6 + Integrated Case (pp. 260-261)	Time Value of Money	Exam 4 (Ch 6): 3/13 – 3/27
3/21	Spring Recess – No Classes		
3/28	Cesar Chavez Day – No Class Thursday, March 31, 2005		
4/4	Ch 7 + Integrated Case (pp. 303) Ch 4 (pp. 116-150)	Bonds and Their Valuation Markets, Institutions, & Interest Rates	Exam 5 (Ch 7): 4/3 – 4/17
4/11 4/18	Ch 8 + Integrated Case (pp. 352-353)	Stocks and Their Valuation	Exam 6 (Ch 8): 4/10 – 4/24
4/25	Ch 9 + Integrated Case (pp. 387)	Cost of Capital	Exam 7 (Ch 9): 4/24 – 5/8
5/2	Ch 10 + Integrated Case (pp. 420-421)	Basics of Capital Budgeting	Exam 8 (Ch 10): 5/1 – 5/15
5/9	Ch 11 + Integrated Case (pp. 457-459)	Cash Flow Estimation and Risk Analysis	Exam 9 (Ch 11): 5/8 – 5/22
5/16	Ch 12 + Integrated Case (pp. 501-503)	Capital Structure and Leverage	Exam 10 (Ch 12): 5/15 – 5/29
5/23	Final Exam Week Please reserve your exam time slot!		

¹Brigham and Huston, “Fundamentals of Financial Management,” Concise 4th Edition, Thomson Southwestern, 2004. Copies of the lecture slides are contained in Brigham and Huston, “Blue Prints: Fundamentals of Financial Management,” Concise 4th Edition, Thomson Southwestern, 2004.

SFSU College of Business
Add, Drop, Withdraw, and Credit/No Credit Policies for Fall 2004

Add: Students not on the original class roster can add to a section only by obtaining a permit from the instructor. **Students need to be told to use the permit immediately** since it expires rapidly. **The Associate Dean will deny Add petitions submitted after the first four weeks of class (Friday, February 25, 2005).** It makes no difference whether the student was in class, completed all assignments, etc. Students must be added during the formal Add period (first four weeks during spring and fall semesters) or they will not receive credit for the course.

Drop: Students can drop by Touch Tone during the first four weeks, through Wednesday February 25, 2005 without obtaining signatures or approvals from anyone (including instructor, chair, and dean). **Dropping is far better than withdrawing.**

Official SFSU policy indicates that students can only **withdraw** during the fifth through twelfth weeks for “**serious and compelling reasons.**” Students can withdraw after the twelfth week only in cases of “verified accident or serious illness where circumstances are beyond the control of the student and where the assignment of an incomplete grade is impractical.”

College of Business policy is that **withdrawal petitions during weeks 5-12 (through Monday, April 29) will be processed and approved by COB Student Services Center (in BUS 137) if the instructor has approved the request and the student has no previous “W” grade for that course** at SFSU. Otherwise, the burden is upon the student to satisfy the Associate Dean that there is a serious and compelling justification (such as a verified accident or serious illness). Students should continue to attend class and do all assigned work until their petition has been approved by either COBSSC or the Associate Dean.

DEADLINES:

February 11 (Friday)	Last day to <u>ADD</u> a course using White Stickers . Also, last day to sign up to Audit a course.
February 25 (Friday)	Last day to <u>ADD</u> using Gold Stickers and Last day to <u>DROP</u> a course
No Adds or Drops after February 25, 2004	
April 1 (Friday)	Last day to elect CR/NC option. Once elected, the option cannot be changed a later date.
April 29 (Tuesday)	Last day for student <u>Withdrawals</u> . Only <u>ONE</u> withdrawal per COB course is permitted.