

**Fayetteville State University**  
**School of Business and Economics**  
**Department of FEEM**  
**Finance 311 –D1- Principles of Finance**

**FSU Policy on Electronic Mail:** Fayetteville State University provides to each student, free of charge, an electronic mail account ([username@uncfsu.edu](mailto:username@uncfsu.edu)) that is easily accessible via the Internet. The university has established FSU email as the primary mode of correspondence between university officials and enrolled students. Inquiries and requests from students pertaining to academic records, grades, bills, financial aid, and other matters of a confidential nature must be submitted via FSU email. Inquiries or requests from personal email accounts are not assured a response. The university maintains open-use computer laboratories throughout the campus that can be used to access electronic mail.

Rules and regulations governing the use of FSU email may be found at  
<http://www.uncfsu.edu/PDFs/EmailPolicyFinal.pdf>

**II. Course Description:** A course in basic financial management, including the study of the nature of financial management, financial analysis, risk and returns, and security valuation. Prerequisites: ACCT 211, ECON 211, and ECON 212.

**III. Disabled Student Services:** In accordance with Section 504 of the 1973 Rehabilitation Act and the Americans with Disabilities Act (ACA) of 1990, if you have a disability or think you have a disability to please contact the Center for Personal Development in the Spaulding Building, Room 155 (1<sup>st</sup> Floor); 910-672-1203.

**IV. Textbook:**

Gitman, Lawrence J., Principles of Managerial Finance, 12<sup>th</sup> Edition, Pearson Prentice Hall (2009)  
ISBN: 978-0-321-52413-3

The recommended calculator for the class is the Texas Instruments BA-II Plus. It is one of the cheaper financial calculators on the market and is used in other finance courses. If you prefer you can use Excel in place of the calculator, but some of you may find the calculator easier to use to take timed exams.

This is a web-based course and requires students to access the course's Blackboard site.

**V. Student Learning Outcomes:**

Upon completion of this course, students will be able to:

1. Define the major areas of finance, explain the goal of financial management, and identify the career opportunities available in the field.
2. Describe the relationship between financial institutions and markets, and the role and operations of financial markets.
3. Explain the fundamentals of business taxation of ordinary income and capital gains, and explain the treatment of tax losses.
4. Use financial ratios to analyze the firm's performance and market value.
5. Explain the implication of the firm's cash flows and financial planning.
6. Describe and the concepts of time value of money and the trade-off between risk and return, and apply them to real world problems.
7. Describe interest rate fundamentals and explain the general features, quotations, ratings, and types of bonds.
8. Explain the rights, characteristics, and features of both common and preferred stock.
9. Apply financial technique and theory to value various financial instruments.

**VI. Course Requirements and Evaluation Criteria:**

a. Grading scale and interpretation of letter grades:

Grading symbols and numerical equivalents:

A	92 to 100%
B	83 to 91%
C	73 to 82%
D	64 to 72%
F	63% and below

b. Attendance Requirements: this is a fully online course. Students will not be required to be on campus at any time.

c. Graded Assignments:

1. Exams: There will be three semester exams and a final exam. Exam 1 will cover chapters 1, 2, and 3, exam 2 will cover chapters 4 and 5 and exam 3 will cover chapters 6 and 7. The lowest score on the semester exams can be dropped. The final exam is comprehensive and can not be dropped. Exams are designed to test your understanding of facts, concepts, and problem-solving methods.

The three semester exams will appear in Blackboard under the "Quizzes and Exams" tab. Students will be given 60 hours after the exam first appears on Blackboard to complete the exam. Semester exams are typically posted at 11:30 a.m. and are available until 11:30 p.m. on the third day after the exam is posted. The dates for the exams are listed in section VIII. Dates and times referred to in the course will be based on eastern standard time. Exams are timed, with 75 minutes allowed for semester exams and 110 minutes allowed for the final exam.

If a student fails to record a score for a semester exam for any reason, including a technical malfunction, that will count as the student's drop. If this happens a second time, the student will simply allocate the 20% that would go to the missed exam to the final exam. The only circumstance in which makeup exams will be given is if an exam is missed due to an error or malfunction that is obviously the fault of the instructor.

The final exam must be taken at a proctoring site approved by UNC Online Academic services. The website is listed under "External Links" on the Blackboard site. They have proctors in many places. If there is no proctor near you, you can try to arrange to have someone near you to become qualified to become a proctor. The proctor will need to have a computer for you to use, and an internet connection to email the completed exam to me. The proctor must also be able to observe you as you take the exam. You must make arrangements for a final exam proctor and approve it with me by Thursday, March 17th. I am willing to proctor your final exam at the SBE either during my office hours or during one of my courses while the class is taking an exam (subject to adequate space in the classroom).

2. Article summaries: the assignment is to complete a summary of an article from the financial press that relates to the material that is contained that the class is currently studying. You must complete article summaries for five of the seven chapters that are covered in the course. Summaries should be posted to the Blackboard discussion board. Put only your last name and the chapter number of the summary in the subject line of your post. Article summaries should be at least 200 words in length. Use articles from the business and financial press, not online dictionaries or other miscellaneous websites. The article can be from *Business Week's* website or Reuter's, for instance, but not investopedia.com. The *Wall Street Journal* is always acceptable. No blogs, unless I pre-approve them. You can certainly google, but that doesn't mean that whatever pops up will be acceptable. Summaries should be in your own words. More recent articles are preferred, but particularly relevant older articles are acceptable. Mention the name of the article, the source, the author, and the date and page(s) of appearance at the top of the summary. Provide the URL for internet articles. Articles must be closely related to material the class is currently studying. To avoid submitting irrelevant articles, study the material in the chapter a bit before looking for an article. That way you'll have a better idea of whether the article is really related to the chapter or not. You may find a couple of good financial websites to look at under external links. Newspapers like the *Wall Street Journal* and *The Financial Times* and magazines like *Forbes*, *Fortune*, and *CFO Magazine* can be good sources of articles

also. Databases available through the Chesnutt library have articles from publications such as the *Wall Street Journal* with a one or two day delay. Points will be deducted for posting irrelevant or marginally relevant articles, too much copying from the article, presenting an old article that is not especially relevant when newer articles are clearly available, careless spelling, grammar, and writing errors, and any other violations of these guidelines. In some cases summaries with serious or multiple problems might be judged unacceptable.

3. Quizzes: there are three quizzes, which correspond to the three sections of the course. The quizzes will be posted up until the time that the corresponding exam is posted. To earn a score of 100 on the quizzes, it is only necessary to attempt each quiz by the time the exam goes up. You can repeat the quizzes as many times as you like for practice. The system will give you a grade for your quiz effort, but no matter what your grade is I will replace it with a 100 at the end of the course as long as you've tried the quiz at least once and on time.

4. Introductory assignment: go to the introductory discussion board and post a message introducing yourself. Verify that you have read the syllabus and the course FAQ and understand all course requirements and policies, including the requirement that the final exam be proctored. If you don't understand then continue to ask questions until you reach the point of understanding and then indicate so. Give your name, your major, your geographical location, your background in business and finance if any, your current place of employment if applicable, and any other information you wish to share.

d. Value of Each Assignment:

First Exam.....	20%
Second Exam.....	20%
Third Exam.....	20%
Final Exam.....	30%
Article Summaries.....	20%
Quizzes.....	9%
Introductory assignment.....	1%.

The lowest semester exam score can be dropped. The final exam can not be dropped.

e. Policy on Missed or Late Assignments:

1. If a student fails to record a score for a semester exam for any reason, including a technical malfunction, that will count as the student's drop. If it happens again, the student will simply allocate the 20% that would go to the missed exam to the final. The only circumstance in which makeup exams will be given is if an exam is missed due to an error or malfunction that is obviously the fault of the instructor.

2. Late summaries are not accepted. Students must attempt each quiz by the due date to receive credit.

f. FAQ: There is an FAQ for the course that complements this syllabus and gives some students some tips on how to be successful in the course. The FAQ is posted in the course's introductory discussion board. It is very important that all students read and understand the FAQ as well as this syllabus.

**VII. Academic Support Resources:** University College Learning Center

**VIII. Course Outline and Assignment Schedule:**

Introductory Assignment Due – Tuesday, January 18th  
 Students who have not completed the assignment receive an "X" grade

- Chapter 1: Role and Environment of Managerial Finance  
 Objectives: 1) Understand the alternative forms of business organization  
 2) Understand the agency problem  
 3) Identify the goal of the financial manager

- 4) Describe how financial markets and institutions function
- 5) Understand Business Taxes

Summary 1 Due – Tuesday, January 25<sup>th</sup>

- Chapter 2:  
Objectives:
- Financial Statements and Analysis
- 1) Describe the strengths and weaknesses of ratio analysis
  - 2) Describe the important elements of the firm's annual report

Summary 2 Due – Tuesday, February 1st

- Chapter 3:  
Objectives:
- Cash Flow and Financial Planning
- 1) Understand the concepts of corporate taxation and depreciation
  - 2) Learn how to estimate operating and free cash flows
  - 3) Understand the cash planning process
  - 4) Prepare pro-forma financial statements
  - 5) Understand the financial planning process

Summary 3 and Quiz 1 Due – Tuesday, February 8<sup>th</sup>  
Exam 1 - Wednesday, February 9<sup>th</sup> through Friday, February 11<sup>th</sup>

- Chapter 4:  
Objectives:
- Time Value of Money
- 1) Understand the concepts of rate of return and opportunity cost
  - 2) Understand the concepts of present value and future value
  - 3) Demonstrate the ability to solve time value of money problems

Summary 4 Due – Tuesday, March 15<sup>th</sup>

- Chapter 5:  
Objectives:
- Risk and Return
- 1) Understand the tradeoff between risk and return
  - 2) Discuss the difference between systematic and unsystematic risk

Summary 5 and Quiz 2 Due – Tuesday, March 22nd  
Exam 2 - Wednesday, March 23rd through Friday, March 25<sup>th</sup>

- Chapter 6:  
Objectives:
- Interest Rates and Bond Valuation
- 1) Describe interest rate fundamentals, the term structure of interest rates, and risk premium
  - 2) Identify the general features, quotations, and popular types of corporate bonds
  - 3) Apply the basic valuation model to bonds and describe the impact of required return and time to maturity on bond values

Summary 6 Due – Tuesday, April 19<sup>th</sup>

- Chapter 7:  
Objectives:
- Stock Valuation
- 1) Differentiate between debt and equity capital
  - 2) Discuss the rights, characteristics, and features of both common and preferred stock
  - 3) Understand the concept of market efficiency and basic valuation under the dividend growth and the free cash flow models.
  - 4) Discuss the process of issuing common stock and the stock quotations

Summary 7 and Quiz 3 Due – Tuesday, April 26<sup>th</sup>  
Exam 3 - Wednesday, April 27<sup>th</sup> through Friday, April 29

Final Exam - Must be received from your proctor by Friday, May 6th  
Graduating senior finals must be received by Sunday, May 1st

**IX. Teaching Strategies:** This is an online course. Learning will be accomplished through readings, homework problems and questions, practice quizzes, exams, and online discussions. Students are expected to take an active role in online discussions and to read all discussion board posts.

**X. Bibliography:**

Brealey, Richard A., Stewart C. Myers, and Franklin Allen, Principles of Corporate Finance, 2011, McGraw-Hill Irwin, New York, ISBN: 978-0-07-353073-4.

Copeland, Thomas E., and J. Fred Weston, Financial Theory and Corporate Policy, 3<sup>rd</sup> edition, Addison Wesley, (1988).

Damodaran, Aswath, Corporate Finance: Theory and Practice, 2<sup>nd</sup> Edition, John Wiley, (2001).

Ross, S., Westerfield, R., and J. Jaffe. Corporate Finance, 7<sup>th</sup> Edition, McGraw-Hill Book Co, (2005).