

FIN 331: BUSINESS FINANCE I

Summer 2024

Instructor:	Keshav R. Bhattarai	Time: M-F 12:00 PM - 01:50 PM
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Office Hours:	M-F 10:45 AM - 11:45 AM Or by appointments	Office: 131A Holman Hall

Course Description

This course introduces students to the fundamental principles of finance and emphasizes the financing and investment decisions of the financial manager. Topics include financial statement analysis, time value of money, asset valuation, risk analysis, and capital budgeting.

Learning Objectives

1. Recall the primary goal of financial management in a corporation (Chapter 1).
2. Demonstrate the use of financial ratios to analyze the performance of a firm and in financial planning (Chapters 3, 4, and 17).
3. Understand the concept of the time value of money and be able to solve various time value of money problems (Chapter 5).
4. Recall the characteristics of a bond and be able to calculate current price, yield-to-maturity, and yield-to-call of annual and semi-annual payer bonds (Chapter 7).
5. Understand the concept of risk - systematic and diversifiable – in a financial framework and be able to calculate expected returns and standard deviations for both individual assets and portfolios (Chapter 8).
6. Recall the characteristics of common stock and be able to calculate the value of a share of stock (Chapter 9).
7. Define and be able to calculate the weighted average cost of capital for a firm (Chapter 10).
8. Understand the importance of the capital budgeting in a corporation and be able to calculate the various metrics used to evaluate projects (NPV, IRR, MIRR, Payback) (Chapter 11).
9. Understand the process and components of estimating and evaluating the cash flows for a proposed project (Chapter 12).

Prerequisites

Accounting 201 and 202 should have been passed prior to enrolling in this course. Also, Economics 202, Economics 203, and Business 230 with a minimum grade of C.

Course Materials

- **Required Textbook:** Brigham and Houston (2022), *"Fundamentals of Financial Management,"* 11th edition, Cengage Learning. (ISBN: 978-0-357-51771-0)
- **Financial Calculator:** Texas Instruments BAII Plus or another calculator of your choice. I strongly recommend the **Texas Instruments BAII Plus** financial calculator. If you have another financial calculator that you are comfortable with, you may use it however, I will use Texas Instruments BAII Plus for any in-class examples. Whatever calculator you choose, you are responsible for becoming familiar with it.

Technology Requirement

Internet Access: You must have access to the Internet for the duration of this course. A Blackboard and MindTap® Finance-supported browser is required for this course. Visit www.olemiss.edu/info/browsercheck to run the Blackboard Browser Checker to verify whether your computer has the required plug-ins installed.

Grading Policy

Your final grade for the course will be a weighted average of your performance on:

Mid-Term Exams (2 @ 25% each)	50%
Final Exam	20%
Homework Assignments	20%
Quizzes & Attendance	10%
Total	100%

The letter grades will be assigned based on the following percentage scale.

A	90% and above
B	80% to < 90%
C	70% to < 80%
D	60% to < 70%
F	Below 60%

Exams

All exams will be closed book/closed notes. The only item you should bring to exams is your financial calculator and a Green Scantron. I will provide printed copies of the equation sheets posted on Blackboard. Exams will include multiple-choice and free-response questions that assess your conceptual understanding, critical thinking, and problem-solving ability. Partial credit is available for free-response questions. Exams must be taken on the exam date listed on the attached schedule. **There will be no makeup exams after the exam date for missed exams. Official University Absence Documentation:** If you know you will be unavailable on the day of an exam, excluding the final, due to an official university-sanctioned event, it is your responsibility to inform me in email **AT LEAST ONE WEEK** before the exam date. We will determine a mutually convenient time for you to take the exam **PRIOR** to your absence. You cannot take the exam after the scheduled exam date on the syllabus. **THERE ARE NO EXCEPTIONS TO THIS POLICY.** It is the student's responsibility to provide documentation from a university authority to verify the legitimacy of the university-sanctioned event.

Homework Assignments

Homework includes 10 MindTap® Finance assignments. The due dates are listed on the attached schedule. Each homework assignment will count for 100 points, and the average of all homework assignments will count for 20% of the course grade. **MindTap® Finance assignments are due at 11:59 pm the day before the exam that covers the associated material.** It takes a significant amount of time to work on each assignment. The single due date per exam material is for your convenience and in anticipation of unexpected circumstances. In other words, do not wait until the due dates to complete/submit your homework assignments; otherwise, you will fall behind. No credit will be given for "close" answers but incorrect ones, so use all attempts sparingly and do NOT round intermittent steps of a problem. **Why homework?** Students who have not spent ample time working on homework problems will have trouble passing this course; students who work on additional practice problems tend to perform the best.

The MindTap® Finance course key is: **MTPN8SG3M0V1**

To access MindTap® Finance, go to: <https://student.cengage.com/course-link/MTPN8SG3M0V1>

Quizzes & Attendance

The quizzes and attendance will count towards 10% of your final grade. The dates of the quizzes are random. There are no make-up quizzes. You must be present at the time the quiz is administered. You will not be allowed to take a quiz late. If a quiz is administered at the beginning of class and you arrive late, you will not be given extra time to complete the quiz. **I will use three measures: quizzes, non-graded quizzes, and class attendance, to calculate the grade for this part. Attendance will be recorded randomly, typically towards the end of the session.**, and will factor into this component of your grade. If you are absent due to an official university-sponsored event or to fulfill a civic responsibility (e.g., jury duty, military service, etc.), then the quiz can be taken early (if possible), or the missed quiz will be omitted from your grade calculation. Also, if you miss class due to a health issue (have a doctor's excuse) or due to the passing of a close relative (have published obituary) and get the absence excused by me prior to the next class meeting, then the missed quiz will be omitted when calculating the quiz portion of your grade. While there may be other legitimate reasons for missing class, only the reasons listed above will excuse a quiz from grade calculation.

Help:

If you find the course materials to be overwhelming, please come see me as soon as possible. If you cannot see me during office hours, make an appointment to meet with me at another time. I'll be happy to work with you and help as best I can. Getting help when you first fall behind is much easier (and more effective) than waiting weeks right before an exam. I want you to do well in this course. If you have difficulties or concerns, I will do my best to help you address them. However, I am only able to help **before grading occurs**. I will spend time working to help you learn the material and help you review practice problems. I will not consider altering your grade after it has been given because of extenuating circumstances.

Final Grade:

When assigning the final letter grade for the course, **prior exam and homework grades are not open to reassessment**. If you believe an exam was incorrectly graded, you must bring your concern to my attention **within 2 days** of the exam grade being posted on Blackboard. I will not discuss your grade in the course with you after you take your final exam. If you have a concern about your grade, please email me.

Office Hours:

Office hours will be Mondays through Fridays from 10:45 AM to 11:45 AM in my office (Holman 131A). In my experience, fixed office hours do not work for most students. I am, however, always available by appointment. Please email me to set up a time to meet. When requesting a meeting please try to do so at least 24 hours in advance and give me some guidance on when you are available.

Email Policy:

I will always try to respond to your emails within 48 hours; however, I cannot guarantee that I will get to them sooner than that. Please take this into account and plan accordingly.

Course Pedagogy

Instruction will be provided primarily via traditional lectures. The lectures will be based on the assigned textbook material and will include a lot of problem-solving. Lectures are designed to clarify and supplement the text material. Lecture slides will be available on Blackboard. Additionally, the textbook publisher has

several supplemental items on the course website (such as practice problems/solutions and adaptive test prep) that you should review.

Business Finance is a quantitative subject. The lectures will include many examples. However, practicing lecture examples alone is not sufficient for course mastery. To achieve the necessary repetitions for course mastery, I highly recommend practicing the assigned homework problems and other end of chapter problems as much as you can. Unless otherwise instructed, you will be held responsible for all reading assignments (even if they are not covered in the lecture) plus all supplementary material presented in the lecture.

I cannot possibly cover all chapters in their entirety. Rather, I will focus on the material that I feel is the most important in class. Since I will often move rapidly through the material, you will benefit from attending class and reading the relevant material from the text prior to each class meeting. Complete the reading assignment even if you do not understand everything in the first pass through the material. After class (and before the next one) you should go back and review the material covered. This is the best way to improve your understanding of the material.

Attendance Policy

Class attendance is mandatory and necessary for this course's successful completion. Class attendance will be recorded randomly. Students whose attendance is not verified during the first two weeks of classes will be dropped from the class.

If a class is missed due to an official university function or civic responsibility, it is your duty to find out what material was covered and the assignment for the next class meeting. Any and all assignments are due as regularly scheduled. Students should be prepared for quizzes and tests given during the next class meeting after a missed class.

You are encouraged to seek answers to your questions as they arise. The material discussed in class builds on earlier concepts and gets progressively more complex. Consequently, you will likely feel lost if you do not come to class or you do not ask for clarification quickly.

Summer Course Note:

Remember that this is a summer course. That means that we will have roughly four weeks to cover all the material and tests, as well as do the relevant homework, that normal semesters have around 15 weeks to do. That means you can expect a significantly heavier work load per week compared to a normal semester because of the accelerated schedule. That is what you sign up for when taking a summer course. As such, time management and staying ahead of reading and homework is critical if you don't want to become overwhelmed around exam times.

Electronic Usage

Please silence and store your cell phone when the class is in session. You cannot use your phone as a calculator during quizzes or tests. Please see me prior to class if there is an impending emergency that requires you to have your phone out and visible during class time. I allow you to use your laptop computer to take notes in class. However, if you abuse this privilege, I will ban laptop computers from the class. The only device allowed to be out on your workspace during a test is your one nonprogrammable calculator, preferably a TI BAII plus financial calculator.

Course Specific, School of Business, and University Policies

School of Business Administration's Statement on Academic Integrity

The School of Business Administration upholds honor and academic integrity in all of its teaching, research, and service activities. All business faculty, staff, and students are charged with the responsibility to behave with personal and professional integrity and to refrain from dishonorable conduct.

Weather Conditions:

If an examination is scheduled on a date when classes are canceled for weather, look to Blackboard for details of makeup time.

Disability Access and Inclusion

The University of Mississippi is committed to the creation of inclusive learning environments for all students. If there are aspects of the instruction or design of this course that result in barriers to your full inclusion and participation or to accurate assessment of your achievement, please contact the course instructor as soon as possible. Barriers may include but are not necessarily limited to, timed exams and in-class assignments, difficulty with the acquisition of lecture content, inaccessible web content, or the use of non-captioned or non-transcribed video and audio files. Students must also contact Student Disability Services at 662-915-7128 so that office can 1) provide you with an Instructor Notification form, 2) facilitate the removal of barriers and 3) ensure you have equal access to the same opportunities for success that are available to all students. Please complete the notification procedure within the first two weeks of the course. Also, please advise me in advance of any needs you may have since I may not be able to accommodate them at the last minute.

Student Attendance Verification Policy

The University must abide by federal guidelines to verify the participation of all students. Class attendance will be recorded during the first two weeks of the semester, and this information will be conveyed to the University. Students whose attendance is not verified during the first two weeks of classes will be dropped from the class.

Student Privacy Policy

The University of Mississippi protects the privacy of all students, including online students, through adherence to the Family Educational Rights and Privacy Act of 1974 (FERPA) through compliance with other institutional policies and procedures governing the management and security of protected information of faculty, staff, and students, and by outlining the expectations of privacy for the university community as regards to electronic information. Student Privacy Policy

Academic Dishonesty and Cheating

Academic dishonesty refers to the use of unauthorized books, notes, or otherwise securing help on a test, copying tests, assignments, reports, or term papers. It also includes attempts to deceive the professor or otherwise advantage the student's grade through deceit. Any student caught engaging in any form of academic dishonesty **will receive a failing grade for the semester** in this course—NO EXCEPTIONS! For more information, please refer to the university policy on *Student Academic Conduct and Discipline*.

Important Dates:

May 28	First Day of Class
June 4	Mandatory drop date for non-attendance
June 5	Mid-Term Exam 1
June 6	Deadline for course withdrawals
June 17	Mid-Term Exam 2
June 21	Last Day of Class
June 24	Final Exam

Course Outline(tentative)

The schedule is subject to change, and topics may be added/omitted depending on the pace of the class. I reserve the right to alter the class schedule as circumstances dictate. Changes to the syllabus will be announced in class. Students not attending class are responsible for obtaining this information.

• **Part I: Working with Financial Statement (May 28 - June 5)**

1. An Overview of Financial Management
 - Read the syllabus carefully, browse the course website
 - Read: Brighman and Houston Chapter 1 (Sec 1.1 - 1.7)
2. Financial Statements, Cash Flow, and Taxes
 - Read: Brighman and Houston Chapter 3 (Sec 3.1 - 3.8)
3. Analysis of Financial Statements
 - Read: Brighman and Houston Chapter 4 (Sec 4.1 - 4.8, and 4.10)
4. Financial Planning and Forecasting
 - Read: Brighman and Houston Chapter 17 (Sec 17.2 - 17.4)

MindTap® Finance Assignments 1, 2, and 3 Due: June 4

Midterm Exam 1: June 05 (tentative)

• **Part II: Time Value of Money and Financial Assets (June 5 - June 17)**

5. Time Value of Money
 - Read: Brighman and Houston Chapter 5 (Sec 5.1 - 5.18)
6. Bonds and Their Valuation
 - Read: Brighman and Houston Chapter 7 (Sec 7.1 - 7.8)
7. Risk and Rates of Return
 - Read: Brighman and Houston Chapter 8 (Sec 8.1 - 8.5)
8. Stocks and Their Valuation
 - Read: Brighman and Houston Chapter 9 (Sec 9.1 - 9.8)

MindTap® Finance Assignments 4, 5, 6, and 7 Due: June 16

Midterm Exam 2: June 17 (tentative)

• **Part III: Cost of Capital and Capital Budgeting (June 18 - June 24)**

9. The Cost of Capital

– Read: Brigham and Houston Chapter 10 (Sec 10.1 - 10.8)

10. The Basics of Capital Budgeting

– Read: Brigham and Houston Chapter 11 (Sec 11.1 - 11.9)

11. Cash Flow Estimation and Risk Analysis

– Read: Brigham and Houston Chapter 12 (Sec 12.1 - 12.5, and 12.7)

MindTap® Finance Assignments 8, 9, and 10 Due: June 23

Final Exam: As scheduled by the University: Monday, June 24th at 4:00 PM. The Final exam will be held in our regular classroom. This date is final and will not change.

How to access your MindTap course

Instructor: Keshav R. Bhattarai

Start Date: 05/28/2024

What is MindTap?

MindTap empowers you to produce your best work – consistently. MindTap is designed to help you master the material. Interactive videos, animations, and activities create a learning path designed by your instructor to guide you through the course and focus on what's important. Get started today!

Registration

1. Use the course registration link
<https://student.cengage.com/course-link/MTPN8SG3MOV1>
2. Follow the instructions on the screen to create your Cengage account and register for this MindTap course.

Payment

After registering for your course, you will need to pay for access using one of the options below:

- **Online:** You can pay online using a credit or debit card, or PayPal.
- **Bookstore:** You may be able to purchase access to MindTap at your bookstore. Check with the bookstore to find out what they offer for your course.
- **Free Trial:** If you are unable to pay at the start of the semester, you may choose to access MindTap until 5:00 AM on 06/01/2024 during your free trial. After the free trial ends, you will be required to pay for access.

Please note: At the end of the free trial period, your course access will be suspended until your payment has been made. All your scores and course activity will be saved and will be available to you after you pay for access.

Already registered an access code? Bought MindTap at your bookstore or online? Now use the course link from your instructor to register for the class:

<https://student.cengage.com/course-link/MTPN8SG3MOV1>

System Check

To check whether your computer meets the requirements for using MindTap, go to

<http://ng.cengage.com/static/browsercheck/index.html>

Please Note: The System Check is also accessible in the dropdown box next to your name located in the upper right corner of your MindTap page.