

Instructor Kyle S. Wells, PhD
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Office: Udvar-Hazy 343 Office hours: See Blackboard
Class Schedule: Section 01 - TR, 9:00-10:50 A.M.

Pre-Requisites:

ACCT 2020 (Managerial Accounting)
ECON 2020 (Macro Economics)
STAT 2040 (Business Statistics)

Required Materials

A financial calculator (see below).

Recommended

Scott Besley and Eugene F. Brigham, 2010, *4LetterPress - CFIN*, 1st edition.

or

Scott Besley and Eugene F. Brigham, 2008, *Essentials of Managerial Finance*, 14th edition.

A copy is available in the business student lounge.

Overview

The course is designed to explain the substantive parts of financial management. It is not an "investment" course, *per se*, although many of the skills taught can be used for financial investment purposes. The student will learn the theory of financial management and how to apply it in a business setting. This course is designed to create a financial "toolbox" which will be used in subsequent courses and in a career in business. The primary tool taught in this course is Time Value of Money (TVM). The underlying theme is the valuation of financial assets and business projects using TVM techniques. The course is intended to stimulate the interest in the field of finance as an area of further study and as an area of practice for a life-long career.

An underlying goal is to develop critical thinking so as to evaluate dispassionately the merits and demerits of different policies and projects and of techniques of financial management. This analytical ability can be developed by solving and discussing problems. We will work many problems in class.

I recommend that you regularly read the Wall Street Journal or similar publication to increase your understanding of business and finance. I appreciate any questions you have related to this reading.

Course Objective

1. Understand the financial environment.
2. Know how to analyze financial statements (balance sheets and income statements).
3. Know how to make time-value-of-money calculations.
4. Know how to use a financial calculator.
5. Know how to determine and assess the value of financial assets (securities, projects and businesses)
6. Understand the concept of financial risk and its role in asset valuation and financial decision making.
7. Know how to conduct capital budgeting analysis.
8. Be exposed to ethics issues in finance.

Attendance

You are not required to attend every class and I will not penalize you for absences. However, you are responsible for all material presented in class, regardless if you were present or not. This includes instructions on assignment format and turn-in procedures. If you miss class, I will be glad to tell you what material you may have missed but I will not re-teach it. Occasionally, extra credit is given in class for participation in post-test reviews and other discussions. Missing class on these days may affect your final grade.

Homework

This class is structured in sections. Homework problems are assigned to each section and are designed to help develop your analytical abilities and to increase your understanding of finance. You may work together with other students on these assignments, but all assignments must be submitted through Blackboard on an individual basis. If the assignment is complete and turned in prior to the due date, it will receive a three (3). If the assignment is late for any reason, the assignment will receive a two (2). If the assignment is incomplete, it will receive at most a one (1). Solutions for the problem sets will be available once they have been submitted and graded. It is your responsibility to check your work.

Additionally, you will have two homework projects which will be due as indicated on the course schedule. Instructions for these projects will be posted on the course website. I will discuss these instructions in detail in class shortly after we cover the relevant material. I encourage you to work in groups of two or three. Individual work will be accepted but will be penalized 10 points or one full grade. Further details concerning these assignments will be announced in class. Your submission must be turned in a hard copy form or it will not be graded.

Examinations

There will be three closed-book exams proctored in DSC's testing center. You may use a calculator during these exams. Additional materials such a student produced 5" x 8" note card may also be used. Full credit will be awarded for all correct answers and partial credit will be awarded as deemed appropriate by your instructor.

Course Grade Computation

Your course grade is based on a point system. The point allocation for exams and homework is:

	Points		
Participation	5/5		
Homework	15	Points	Grade
Problems		>93	A
Homework	20	90 to 92.9	A-
Projects		87 to 89.9	B+
Test 1	20	83 to 86.9	B
Test 2	20	80 to 82.9	B-
Test 3	20	77 to 79.9	C+
Total Possible	<u>105/100</u>	73 to 76.9	C
		70 to 72.9	C-
		<70	D

Financial Calculator

A financial calculator is essential in this class and in all advanced finance classes. Most multi-function calculators have financial programs available. I do not recommend any specific model or brand; however, a scientific calculator does not have the necessary functions for this course. My notes have specific key instructions for the Texas Instruments BAII Plus which cost approximately \$30 and is sufficiently powerful for all calculations taught in this course. I can provide general assistance but I do not know all functions on all calculators. You are responsible to learn the functions on your own calculator.

How to do well in this course

- **Review the lectures and notes in advance of the study sessions!** This is critical as the lectures will not be taught in the lab. I recommend that you review your class notes at least once a week. Don't wait until the weekend prior to a test. That's not the best time to realize that you don't understand something.
- Come to class. Participate in class discussions. Form or join and participate in a study group.
- Do all the assigned readings, homework assignments, and suggested study problems and questions.
- Come in during office hours or make an appointment to meet at our offices whenever you're having difficulty or have questions you would like to discuss outside of class.

Due Dates

Assignments, projects and test due dates will be given in class and posted in the calendar function in Blackboard. I try to be flexible in my schedule to allow for class discussion; for this reason, all dates on this syllabus are approximate. At the end of every chapter, I will announce the due dates for the assignments. In most cases you will have one week to complete the material after it has been discussed in class. Test and project dates will be given in class as well. It is your responsibility to communicate with me or other students if you are not present when the dates are given.

Class Communication/Dmail

Important class and college information will be sent to your D-mail email account. This information includes your DSC bill, financial aid/scholarship notices, notification of dropped classes, reminders of important dates and events, and other information critical to your success in this class and at DSC. All DSC students are automatically assigned a Dmail email account. If you don't know your user name and password, go to www.dixie.edu and select "Dmail," for complete instructions. You will be held responsible for information sent to your Dmail email, so please check it often. I may periodically communicate with you through the email function on Blackboard.

Scholastic Behavior

All students are expected to uphold standards of academic honesty. Failure to uphold school policies relating to behavior (plagiarism, cheating, etc.) may result in failure of and/or expulsion from the class. Specific DSC policy regarding academic dishonesty can be found in the DSC Policies and Procedures Manual policy 34.

Americans with Disability Act.

If you are a student with a medical, psychological or a learning difference and requesting reasonable academic accommodations due to this disability, you must provide an official request of accommodation to your professor(s) from the Disability Resource Center within the first two weeks of the beginning of classes. Students are to contact the center on the main campus to follow through with, and receive assistance in the documentation process to determine the appropriate accommodations related to their disability.

You may call (435) 652-7516 for an appointment and further information regarding the Americans with Disabilities Act (ADA) of 1990 per Section 504 of the Rehabilitation Act of 1973.

Our office is located right next to the Testing Center on the bottom floor of the Financial Aid and Career Center building.

Approximate Schedule (See Blackboard Calendar for Schedule and Due Dates)

Week-Class	Topics	Approx. Due Dates
1-1	Section 1: Introduction Section 2: Overview of Managerial Finance	Sec1
1-2	Section 3: Statement of Cash Flows	Sec2
2-3	Section 4: Financial Ratio Analysis	Sec3
2-4	Section 5: Introduction to Time Value of Money	Sec4
3-5	Section 6: Annuities	Sec5 & Project 1
3-6	Test Review & Test	Sec6
4-7	Section 7: Uneven Cash Flows Section 8: Multiple Compounding	
4-8	Section 9: Amortizing and Advanced Topics	Sec7 & Sec8
5-9	Section 10: Bonds	Sec9
5-10	Section 11: Capital Budgeting Techniques	Sec10
6-11	Section 12: Decisions in Capital Budgeting	Sec11
6-12	Test Review & Test #2	Sec12
7-13	Section 13: The Cost of Money	
7-14	Section 14: Yields and Maturities	Sec13
8-15	Section 15: Risk and Return	Sec14
8-16	Section 16: Portfolio Risk and CAPM	Sec15
	Finals Week	Sec16 & Project 2

The Mike LeMond Million Dollar Challenge

As an ancillary to this course, you may participate in an online investment game. The rules of the game will be discussed in class and are presented on the website. You are not required to play, you will not be penalized for not participating and grade points are not awarded to those choosing to participate. At the end of the semester, the individual who accumulates the highest returns will be have their name engraved on a plaque in the atrium. Additional awards may be presented to runners-up.

I have found that this game adds dimension to the course and exposes students to trading in financial markets; however, due to the element of luck, participation is not required. The following is the URL, game name and password required to enter the game. You will also be required to register with your own personal user email and password. I suggest using an email that you don't mind being used and sold to third parties.

<http://vse.marketwatch.com/Game/Homepage.aspx>

GAME NAME: FIN3150_su11

PW: money