

LeMoyne-Owen College
Division of Business and Economic Development
BUAD 340: Principles of Finance, Section A
Fall 2018

Instructor: Dr. Michael O. Minor
Office Room: Renaissance Center
Office Phone: (901) 826-8355
Office Hours: By Appointment
Email Address: michael_minor@loc.edu michael@michaelominor.com
ASAP 225 Webpage: www.michaelominor.com/finance_101

Credit Hours: 3
Prerequisites: N/A

Syllabus Version 1

Texts:

- J. Van Horne & John M Wachowicz (2009). *Fundamentals of Financial Management, 13/E*. Cambridge, England: Financial Times/ Prentice Hall.
http://wps.pearsoned.co.uk/ema_uk_he_wachowicz_fundfinman_13/106/27149/6950232.cw/index.html
- Jonathan Berk & Peter DeMarzo (2007). *Corporate Finance*. Boston, MA: Prentice Hall
- Scott Smart, Lawrence J. Gitman & Michael D. Joehnk. (2014). *Fundamentals of Investing, 12/E*. Boston, MA: Prentice Hall.
http://wps.prenhall.com/bp_smart_fundinv_12/234/60159/15400753.cw/index.html
- Michael O. Minor (2018). Finance 101. http://michaelominor.com/finance_101

Course Description: BUAD340/Lecture/A - Principles of Finance | Credits 3.00

This is an introductory course in finance. The course considers markets in which funds are traded, the institutions that participate and facilitate the flow of funds, and the principles and concepts of financial management needed for making sound decisions.

College Graduate Competencies:

The college graduate competencies (CGC) that are directly addressed in BUAD 340 are:

1. Think creatively, critically, logically, and analytically using both quantitative and qualitative methods for problem solving;
2. Appreciate, understand, now and pursue the principles, methods and subject matter that underlie the major discipline(s);

Course Objectives:

1. Understand the composition of the American financial system
2. Understand the role of government in financial markets
3. Understand and apply time value of money principles in real world situations
4. Understand and apply the principle of risk and return in investment analysis
5. Apply other principles of finance to real world applications
6. Utilize Microsoft Excel in financial analysis.

Attendance Policy:

In accordance with college policy, classroom attendance is required. The following standard will be applied:

1. If unexcused absences total 15% of the regularly scheduled class meetings, the instructor has the authority to lower the final grade by one letter.
2. If unexcused absences total 20% of the regularly scheduled class meetings, the instructor has the authority to give a failing grade.
3. Five tardies—arrival to class five minutes after class has begun—will equal one unexcused absence.

Technology Use:

LeMoyné-Owen College is committed to enhancing student learning using a variety of applicable technology. In this course, students will use or be exposed to Microsoft Excel and online finance resources.

Demeanor:

Suitable demeanor, posture and attire are required. For guidelines and the dress code, please refer to the appropriate pages of the 2018-2019 Student Handbook.

Classroom Policies and Procedures:

The classroom learning experience provides opportunities for faculty and students to engage in interactive exchanges of course content. To facilitate this exchange, the following guidelines are provided:

1. Because each class session covers vital material and information, it is important that students arrive on time to each class session.
2. To enhance students' performance and confidence in acquiring the material, it is critical that students come to each class session prepared. This includes bringing to class required texts, supplemental materials, and assigned work, which is provided on the course outline.
3. To limit unnecessary distractions which would deter learning, cell phones, multi-media devices, and laptops are required to be turned off or on vibrate when class is in session, except by permission of the faculty.

Faculty reserve the right to apply penalties for noncompliance to either or all the above guidelines.

Assignments and Submission Requirements:

Unless otherwise instructed, students will submit assignments by email to the instructor.

Assessment and Submission Requirements:

Students will be assessed based upon class participation, graded exercises, unit exams, individual and/or group projects, and a final exam.

Policies Related to Students with Disabilities:

If you need course adaptations or accommodations because of a disability, if you have emergency medical information to share, or if you need special arrangements in case the building must be evacuated, please make an appointment with Jean Saulsberry, Director of Student Development, as soon as possible at (901) 435-1727. The Student Development Office is located in the Counseling Center.

Grade Scale: 90-100 A; 80-89 B; 70-79 C; 60-69 D; 59 & Below F

Student Performance Evaluation:

| | |
|--------------------------|-------------|
| Class participation (CP) | 10% |
| Finance in the News | 10% |
| Team Project | 14% |
| Term Assignment | 14% |
| Unit Exams (4) | 32% |
| Final Exam | 20% |
| Total | 100% |

- Class participation includes substantive consistent student interaction and other graded assignments.
- Students will e-mail the instructor an e-“Finance in the News” update each Thursday (except Thanksgiving) in the body of the e-mail, not as an attachment. See the “Finance in the News” example on Page 6 of this syllabus.
- For the Team Project, the instructor will divide the class in two. Each team will conduct a financial statement analysis of a Memphis-based publicly traded company other than FedEx. The instructor will provide a case analysis outline for each team.
- For the Term Assignment, each student will present a financial proposal for a business opportunity. Students must submit topics for the instructor approval by Friday, September 14.
- We will have five Unit Exams. Since there won’t be a make up for a missed exam, the instructor will drop the lowest of the five exam scores and only count four. Online chapter quizzes will be counted as part of each Unit Exam. Here’s the link to the online assignments:
http://wps.pearsoned.co.uk/ema_uk_he_wachowicz_fundfinman_13/106/27149/6950232.cw/index.html
- The Final Exam will take place on the date and time assigned by the registrar’s office.

Note: Unless otherwise instructed, all graded exercises (GE) are due by e-mail to michael@michaelominor.com by 11:59 p.m. the day the assignment is due.

| |
|---|
| LeMoyne-Owen College Graduate Competencies (CGC) |
|---|

LeMoyne-Owen College graduates should be able to:

1. Think creatively, critically, logically, and analytically using both quantitative and qualitative methods for problem solving;
2. Communicate effectively (listen, speak, read, and write) on formal and informal levels;
3. Distinguish, clarify, and refine personal values for the attainment of richer self-perception and relate those values to the value system of others;
4. Appreciate, understand, and know the foundations of the Afrocentric perspective;
5. Appreciate, understand, and know the foundations of diverse cultures in the context of a global community;
6. Appreciate, understand, now and pursue the principles, methods and subject matter that underlie the major discipline(s);
7. Accept social responsibility and provide service to humankind;
8. Maintain levels of literacy that allow them to understand the impact of science and technology on individuals, society, and the environment;
9. Attain motivational, personal management, interpersonal skills, professional development and research experience, as well as resourcefulness that will form the basis for a career and/or further educational experiences;
10. Attain critical skills, frame of reference, and understanding needed to appreciate and discriminate between artistic achievements.

| |
|--|
| BUAD 340: Principles of Finance, Section A Weekly Course Schedule |
|--|

Note: The instructor reserves the right to alter this schedule of class assignments and meeting dates as circumstances may require. All changes will be announced in class prior to their initiation. Students not attending class on the day of such announcements are responsible for obtaining this information.

Unit 1: Field of Finance, Organizational Legal Structure, and Financial Markets/August 27 – September 16, 2018

August 27, 29, 31; September 5v, 7, 10, 12, 14, 17, 19

Readings: Presentations 1 and 2; Van Horne Chapters 1 and 2; Smart Chapter 2

Other Tools: [Finance 101 Webpage](#); [Excel 101 Tutorial](#); [Accounting 101](#)

- | | |
|--|--|
| <ul style="list-style-type: none"> 1.1 What Is Finance? 1.2 Areas of Finance 1.3 Legal Forms of Business Organizations 1.4 Agency Issues/Ethics 1.5 Stakeholders vs. Shareholders 1.6 Relationship to Economics and Accounting | <ul style="list-style-type: none"> 1.7 Structure and Functions of Financial Markets. 1.8 Commercial Banks and Other Financial Institutions 1.9 Securities Markets for Bonds and Stock. 1.10 The 8 Principles of Finance 1.11 Using Excel in Financial Management: |
|--|--|

Exam 1/September 19

Unit 2: Time Value of Money and Valuation of Long-Term Securities /September 21 – October 7, 2018

September 21, 24, 26, 28v; October 1, 3, 5

Readings: Van Horne Chapters 3 and 4; Presentations 3 and 4; Smart Chapters 10, 11, 6, and 8

Other Tools: [Time Value of Money Basics](#)

- 2.1 Time Value of Money
 - 2.1A Future Value
 - 2.1B Present Value
 - 2.1C Interest Rates Comparison
 - 2.1D Annuities
 - 2.1E Amortization Schedule
- 2.2 Bonds
- 2.3 Stocks

Exam 2/October 5

Unit 3: Risk and Return and Financial Statement Analysis/October 8 – November 2, 2018

October 8, 12, 15, 17, 19v, 22, 24, 26, 29, 31v, November 2

Readings: Van Horne Chapters 5 and 6; Berk Chapters 2 and 5; Smart Chapter 4

- 3.1 Interest Rates
- 3.2 Risk and Return
- 3.3 Financial Statements
- 3.4 Financial Statement Analysis

Exam 3/November 2

Unit 4: Funds and Cashflow Analysis, Planning, and Working Capital/November 5-19, 2018

November 5, 9v, 12, 14, 16

Readings: Van Horne Chapters 7 and 8

Other Tools: Case Study 101

- 4.1 Funds Analysis
- 4.2 Cashflow Analysis
- 4.3 Financial Planning
- 4.4 Working Capital
- 4.4 Case Studies
- 4.5 Careers in Financial Analysis

Individual Term Project Due Sunday, November 11

Exam 4/November 19

Unit 5: Other Topics in Finance/November 26 – December 3, 2018

November 19

Readings: TBA

- 5.1 Personal Finance

November 26, 28, 30

Readings: TBA

- 5.2 Real Estate
- 5.3 Team Presentations

Team Project Due Wednesday, November 28/Presentations on Friday, November 30

December 3v

Readings: Smart Chapter 9

- 5.3 Special Topics in Finance

Exam 5/December 3

Final Exam/December TBA

Note: “v” refers to virtual class

[Weekly Finance in the News E-Memo Sample]

Finance in the News for the Week Ending Thursday, August 30, 2018

Interest Rates (as of 8/30):

| | |
|------------------------|-------|
| Prime Rate | 4.75% |
| 30-year fixed mortgage | 6.76% |
| 15-year fixed mortgage | 6.39% |
| 1-year CD | 2.30% |
| 5-year CD | 4.75% |

Source: XYZ Financial News

Stock Indices (as of 8/30):

| | |
|-----------|--------------------------|
| S & P 500 | trending down at 10,525 |
| NYSE | trending down at 644.36 |
| NASDAQ | trending down at 2626.50 |

Source: XYZ Financial News

National Finance News Shorts:

+ Shares of Sears Holdings Corp. soared Tuesday, after the struggling department store chain said it expanded its deal with Amazon.com Inc., to provide ship-to-store tire installation and balancing services for those who buy tires on e-commerce giant's site at "hundreds" of additional stores. (Yahoo Finance 8/29/2018/ <https://finance.yahoo.com/m/08af5da2-3444-3580-8bb8-37a08d97b2f3/sears%E2%80%99-stock-soars-as.html>)

+ On Tuesday, Missouri became the first state in the country to have a law on the books that prohibits food makers from using the word "meat" to refer to anything other than animal flesh. (*USA Today Money* Section 8/29/2018 <https://www.usatoday.com/story/money/2018/08/28/animal-meat-missouri-law/1114285002>)

+ U.S., Canada Talk Trade Under Pressure. U.S. and Canadian negotiators began a last-minute sprint to complete a North American Free Trade Agreement rewrite, as pressure built on Canadian Prime Minister Justin Trudeau to cut a deal. (*Wall Street Journal* 8/29/2018 https://www.wsj.com/articles/treasurys-mnuchin-hopeful-trade-deal-with-canada-will-get-done-1535461068?mod=hp_lead_pos2)

Local/Regional Business in the News:

Council Approves TDZ Financing for Second Convention Center Hotel. Memphis City Council members approved the use of Tourism Development Zone revenues Tuesday, Aug. 28, to finance the construction of a second convention center hotel as they delayed any decisions on long-term crowd control and safety measures in the Beale Street entertainment district. (*Memphis Daily News* 8/29/2018 <https://www.memphisdailynews.com/news/2018/aug/29/council-approves-tdz-financing-for-second-convention-center-hotel/>)

Look Ahead:

+ The Federal Reserve Bank may further increase interest rates this week (National Public Radio business news 8/29/2018)