

Fall 2012



William G. Rohrer College of Business

Course No: Fin 4300 – Section 005

Course Title: Principles of Finance

Experience Personal Learning. Experience Your Future.

Professor: Dr. Ozge Uygur, Assistant Professor of Finance
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Office Hours: Mondays 1:30pm – 3:30pm
Wednesdays 1:30pm – 3:30pm
Other hours by appointment

Course Info: Name: PRINCIPLES OF FINANCE
CRN: 40031
Section: 04300/05

Course Schedule: Monday - Wednesday 4.45pm – 6.00pm
Robinson Hall – Room 201A

COURSE DESCRIPTION AND STATEMENT OF COURSE OBJECTIVES

Course Title: Principles of Finance

Course Number: Fin 04.300

Semester Credit Hours: Three for one semester

Prerequisites:

1. Principles of Accounting I and II (Acc 03.210 and Acc 03.211)
2. Statistics I (Stat 02.260)
3. Calculus Techniques and Applications (Math 03.125)
or Calculus I (Math 01.130)
4. Macroeconomics (Econ 04.101) and Microeconomics (Econ 04.102)

**** All must be completed prior to enrolling in Principles of Finance*

**** Students not meeting the prerequisite(s) will be administratively removed from the class at any time during the semester.*

Course Description

This course includes the following topics: financial goals; depreciation, taxation and cash flows; financing the firm via short-, intermediate-, and long-term debt, and preferred and common stock; capital budgeting and leasing; dividend policy; business growth and contraction.

Course Objectives and Core Course Learning Goals

This course is designed to provide students with an understanding of finance as it relates to the private sector. Students will gain knowledge and understanding in the following areas: 1) role and environment of financial management, 2) financial statements and analysis, 3) cash flow and financial planning, 4) time value of money, 5) risk and return, 6) interest rates and bond valuation, 7) stock valuation, 8) capital budgeting evaluation, 9) cost of capital, 10) leverage and capital structure, 11) dividend policy, 12) working capital and current asset management, and 13) current liabilities management.

Ethical and Legal Responsibilities in Organizations and Society

- Demonstrate understanding that the goal of all businesses is to maximize the wealth of its owners.
- Demonstrate understanding that profit maximization is not synonymous with wealth maximization.
- Demonstrate understanding that all managers and other employees are “agents” of the shareholders and that as good agents they have an ethical responsibility to work towards achieving the goal of maximization of shareholder wealth.

Analytic Skills

- Apply financial ratio analysis (cross-sectional and longitudinal) to the examination of a firm’s financial statements in order to be able to identify possible problems, analyze the identified differences and/or trends in relationship to a firm’s mission statement and business plan.

Financial Theories, Analysis, Reporting and Markets

- Understand discounted cash flow procedures, and identify the appropriate methodology of discounted cash flow (e.g., present/future value of a single amount and/or an annuity) to solve a particular type of problem, for example, to determine a mortgage payment.

- Demonstrate understanding of the strengths and shortcoming of payback, net present value and internal rate of return calculations, and be able to do the calculations.
- Demonstrate understanding of the capital asset pricing model and the meaning of beta.
- Understand the meaning and differentiate between a bond's coupon interest rate, current yield and yield to maturity.
- Demonstrate an understanding of the meaning of call and conversion features.
- Solve for the break even point for EBIT and EAT.
- Demonstrate an understanding of the cost of capital.
- Demonstrate an understanding of operating and financial leverage and relate each to business and financial risk.
- Be able to differentiate between primary and secondary markets.
- Be able to differentiate between money and capital markets

Domestic and global economic environments of organizations

- Demonstrate an understanding of the implications of changes in currency values on the prices of goods imported to and exported from a country as well as on the profits of a firm doing business abroad.

TEACHING/LEARNING METHOD

The course will be conducted in a lecture/discussion format. Students will be expected to play an active role, both in the classroom and in out-of-class interactions, in their learning process.

TEXT

Essentials of Corporate Finance Rowan edition w/ Connect plus access code

Author: Ross, Westerfield & Jordan

ISBN #: 007-756125-2

Publisher: McGraw-hill

or

Loose-leaf Essentials of Corporate Finance Rowan edition w/Connect plus access code

Author: Ross, Westerfield & Jordan

ISBN # 007-756128-7

Publisher: McGraw-hill

or

Connect plus access

[Includes access to entire textbook via online ebook]

*** For the purchase of Connect access, please refer to the following website:*

http://connect.mcgraw-hill.com/class/o uygur_fin4300_section005_fal2012

*** Connect is a web-based assignment and assessment platform that makes the learning process more accessible and efficient, as it includes features like online-assignments, e-books, etc.*

TENTATIVE COURSE SCHEDULE, SEQUENCE OF TOPICS, AND ASSIGNMENT LIST

DATE			CHAPTERS	DUE DATES FOR HWs @CONNECT
Week 1	M	3-Sep	LABOR DAY - NO CLASS	----- No HW due!!! -----
	W	5-Sep	Welcome	
Week 2	M	10-Sep	Chapter 1	----- No HW due!!! -----
	W	12-Sep	Chapter 2	
Week 3	M	17-Sep	Chapter 2 & Chapter 3	HW#1 (Chapter 1)
	W	19-Sep	Chapter 3	
Week 4	M	24-Sep	Chapter 4	HW#2 (Chapter 2)
	W	26-Sep	Chapter 5	
Week 5	M	1-Oct	CAP Center Workshop	HW#3 (Chapter 3)
	W	3-Oct	Chapter 5 - Review for Exam 1	HW#4 (Chapter 4)
Week 6	M	8-Oct	Exam 1 (Chp 1, 2, 3, 4, and 5)	HW#5 (Chapter 5) HW#6 (Chapter 1, 2, 3, 4, and 5)
	W	10-Oct	Solutions to Exam 1	
Week 7	M	15-Oct	Chapter 6	----- No HW due!!! -----
	W	17-Oct	Chapter 6	
Week 8	M	22-Oct	Chapter 7	HW#7 (Chapter 6)
	W	24-Oct	Chapter 7	

DATE			CHAPTERS	DUE DATES FOR HWs @CONNECT
Week 9	M	29-Oct	Chapter 8	HW#8 (Chapter 7)
	W	31-Oct	Chapter 8	
Week 10	M	5-Nov	Chapter 11	----- No HW due!!! -----
	W	7-Nov	Chapter 11 - Review for Exam 2	
Week 11	M	12-Nov	Exam 2 (Chp 6, 7, 8, and 11)	HW#9 (Chapter 8 and 11) HW#10 (Chapter 6, 7, 8, and 11)
	W	14-Nov	Solutions to Exam 2	
Week 12	M	19-Nov	Chapter 12	----- No HW due!!! -----
	W	21-Nov	Chapter 12	
Week 13	M	26-Nov	Chapter 13	----- No HW due!!! -----
	W	28-Nov	Chapter 13	
Week 14	M	3-Dec	Derivatives Chapter	HW#11 (Chapter 12 and 13)
	W	5-Dec	Derivatives Chapter	
Week 15	M	10-Dec	Review for the Final Exam	HW#12 (Derivatives)
	W	14-Dec	NO CLASS	HW#13 (Chapter 12, 13, and Derivatives)
Week 16	M	17-Dec	FINAL EXAM (All Chapters)	
	W	19-Dec		

CRITERIA AND PROCEDURES FOR EVALUATING STUDENT PERFORMANCE:

Examinations

- There will be two mid-term exams, a final exam and homework assignments.
- Both the mid-term exams and the final exam will consist of about fifty percent problems and fifty percent multiple choice questions.
- Students may bring a one-page notes sheet (8 1/2" X 11" both sides) to each test.
- There will be no "make-up" exams except for documented emergencies.

Grading

- The composition of the final grade is as follows:

Exam-1	25%
Exam-2	25%
Final Exam	30%
Homework Assignments	15%
<u>Special Projects</u>	<u>5%</u>
TOTAL	100%

- The grade composition of the Homework Assignments:

HW#1	7%	HW#7	7%
HW#2	7%	HW#8	7%
HW#3	7%	HW#9	7%
HW#4	7%	HW#10	10%
HW#5	7%	HW#11	7%
HW#6	10%	HW#12	7%
		HW#13	10%
TOTAL HOMEWORK GRADE		100%	

- The letter grades are determined as per the following table:

<u>Grade</u>	<u>Point Score</u>	<u>Grade</u>	<u>Point Score</u>
A	93 – 100	C	73 – 77
A-	90 – 92	C-	70 – 72
B+	88 – 89	D+	68 – 69
B	83 – 87	D	63 – 67
B-	80 – 82	D-	60 – 62
C+	78 – 79	F	0 – 59

Note that your course grade is determined solely by your scores on the exams, homework assignments, and special project points. **There is no extra credit.**

Calculators:

- You will have to use a calculator for solving problems in class, as well as on the exams. The type of calculator you use is up to you, so please choose a calculator you are familiar and comfortable with. Financial calculators are neither required nor necessary, however recommended.
- If you do not already own a financial calculator, consider purchasing a Texas Instrument BA II Plus™ or BA II Plus™ Professional.

Special Projects

- Students are encouraged to participate in and complete all of the Special Projects. However, that may not be possible for some students because of scheduling conflicts. Therefore, the total number of points for all of the Special Projects exceeds 100. The maximum grade for Special Projects is, however, limited to 100 points.

(1) JUNIOR-YEAR CAREER DEVELOPMENT PROGRAM <ul style="list-style-type: none">• Prepare a quality resume and professional development action plan as a part of the JUNIOR-YEAR CAREER DEVELOPMENT PROGRAM (described below).• Points will be awarded by CAP Center professionals and provided to your instructor.	100 points
(2) CAREER EXPLORATION AND GRADUATE SCHOOL FAIR <ul style="list-style-type: none">• Attend the Career & Internship Fair on Tuesday, October 9, 2012 from 10:00AM to 3:00PM in the Chamberlain Student Center.• Take advantage of this excellent opportunity to network with employers and collect information about available internship opportunities.• Have your resume prepared and ready to distribute.• Visit the CAP Center webpage for helpful tips to make every career fair a success. (http://www.rowan.edu/studentaffairs/cmc/index.cfm).• When attending, you must sign in. Attendance will be kept by the Career and Academic Planning Professional Staff and provided to your instructor.	10 points

Other Recommended Activities Available In Fall 2012

WALL STREET JOURNAL <ul style="list-style-type: none">• You may use the following link for subscription: http://subscribe.wsj.com/semester
SUPPLEMENTAL INSTRUCTION CLASSES <ul style="list-style-type: none">• Tutor: Aaron Walker (walker33@students.rowan.edu)• Mondays 10.50 am – 12.05pm and Thursdays 4:45 – 6:00pm• Coordinator of Tutorial Services: Bonnie Wilson (wilsonbo@rowan.edu)• The sessions will be conducted in the Townhouse Complex Community Room, and students should be instructed to enter the facility by the side door to directly enter the room.• Tutoring will begin Thursday, September 13th.
COLLEGE OF BUSINESS STUDENT ORGANIZATIONS <ul style="list-style-type: none">• A list of the student organizations including the names of the officers with e-mail addresses is located at http://www.rowan.edu/colleges/business/studentorg/index.cfm
CAREER EVENTS
(1) ACCOUNTING EXPO <ul style="list-style-type: none">• The Accounting Expo will be held on Thursday, September 20, 2012 from 10:00am to 1:00pm in the Chamberlain Student Center.
(2) FEDERAL GOVERNMENT CAREER FAIR <ul style="list-style-type: none">• The Federal Government Career Fair will be held on Wednesday, November 14, 2012 from 10:00AM to 2:00PM. Savitz Atrium.• Representatives from the Federal Government will be conducting a presentation on full-time positions, internships and summer employment opportunities.
More details at http://www.rowan.edu/studentaffairs/cmc/cmcservices/CareerEvents.htm

**JUNIOR-YEAR CAREER DEVELOPMENT PROGRAM:
RESUME AND COVER LETTER
PLUS PROFESSIONAL EMPLOYMENT ACTION PLAN PREPARATION**

The Rohrer College of Business (COB) and Career and Academic Planning (CAP) Resource Center have developed an extensive multi-year career development program to assist business students in selecting business majors and to prepare them to secure internships as well as full-time employment upon graduation. One part of this program is the Junior Year Career Development Program. It is embedded in the Principles of Finance course. This program provides students with important professional employment action plan and resume-building skills – skills necessary to help students secure career positions.

During the semester, students enrolled in Principles of Finance are required to participate in a special **Career Development Presentation** and then complete the three assignments described below. Based on the quality of work, students may earn up to **50 Special Project points** for completing these activities. Details of the three assignments and the procedures that will be used for grading each of them will be provided in a handout, “**Junior Year Career Development Program.**” You will receive a copy of this handout at the presentation.

- Participate in the **Career Development Presentation**. Attendance is required. **There will not be any make-up sessions.** The presentations will be held during regularly scheduled classes in your regular classroom on the dates noted in the table below.
 - During these presentations a CAP Center staff member will explain how to: 1) prepare your resume, 2) prepare a cover letter, 3) prepare your Professional Employment Action Plan, and 4) prepare yourself to obtain a career position when you graduate as well as to obtain an internship while you are attending Rowan. **Again, there will not be any make-up sessions.**
 - If you want to review information about resume writing and job search, visit <http://www.rowan.edu/studentaffairs/cap/jobsearch/#rd>.
 - After attending the career development presentation, complete the three assignments described below. **Note: All three assignments must be completed on time. You will not receive credit for any assignment that is turned in late.**
1. **Prepare your “First Resume”** Follow the guidelines provided during the Career Development Presentations. Submit you “First resume” according to the schedule tabulated above. The resumes will be critiqued by a member of the CAP Center professional staff and returned to you as scheduled above. Grading will be based on the criteria shown above. Proofread your assignments carefully before submitting them and seriously consider asking a friend to check your work.

When your “First Resume” is returned to you, keep it! You must use it to prepare your “Revised Resume.” The CAP Center will keep a copy of your critiqued “First Resume” for reference when they critique your “Revised Resume.”

The following two assignments are to be submitted at the same time as scheduled above. Submit these two assignments as individual Word document attachments to an e-mail addressed to bullardr@rowan.edu.

2. **Revise your “First Resume” and submit it as your “Revised Resume.”** Follow the CAP Center staff’s recommendations noted on your “First Resume” when it is returned to you.

3. **Develop a Professional Employment Action Plan.** Refer to the guidelines, **“Positioning Yourself to Get the Job You Want,”** and identify the resume-building activities you want to complete to strengthen your resume so you will be more attractive to potential employers. You can download this from http://www.rowan.edu/colleges/business/career/student/files/positioning_yourself.pdf. Review the material carefully and select those activities you want to complete. List those activities in your Professional Employment Action Plan indicating the specific steps you are planning to take to complete each activity. Follow the guidelines provided in the “Sample Professional Employment Action Plan.” This is included as a part of the handout, **“Junior Year Career Development Program.”**

Course #	40029/ 04300/01	40030/ 04300/02	40031/ 04300/03	40032/ 04300/04	40033/ 04300/05	41422/ 04300/06
Professor	Folkinshteyn	Folkinshteyn	Folkinshteyn	Bender	Uygur	Uygur
Day	WF	WF	WF	R	MW	M
Time	10.50-12.05	9.25-10.40	8.00-9.15	6.30-9.00	4.45-6.00	6.30-9.00
Workshop	Sept. 19	Sept. 19	Sept. 19	Sept. 20	Oct. 1	Oct. 1
First Resume Due by email	Sept. 26	Sept. 26	Sept. 26	Sept. 27	Oct. 8	Oct. 8
First Resume Returned to Student	Oct. 3	Oct. 3	Oct. 3	Oct. 4	Oct. 15	Oct. 15
Revised Resume and Action Plan Due by email	Oct. 10	Oct. 10	Oct. 10	Oct. 11	Oct.22	Oct.22
Revised Resume and Action Plan Returned to Student	Oct. 24	Oct. 24	Oct. 24	Oct. 25	Nov. 5	Nov. 5
E-mail your assignments	All assignments are emailed to Bob Bullard at bullardr@rowan.edu					

ROHRER COLLEGE OF BUSINESS MISSION STATEMENT

The Rohrer College of Business of Rowan University empowers its students to compete and succeed responsibly in their careers.

- The Rohrer College of Business Faculty makes effective teaching that engages students in the learning process its highest priority supported by relevant scholarship and appropriate levels of service.
- Rowan University's undergraduate business programs are grounded in liberal arts, focus on excellent business practices, and offer students opportunities for experienced-based learning.
- Rowan University's graduate business programs provide contemporary graduate business education to professionals of diverse fields and academic backgrounds, and accentuate knowledge and skills required for career advancement.
- In partnership with the Center for Innovation and Entrepreneurship, the Rohrer College of Business promotes entrepreneurship throughout the University and in the regional community.
- The Rohrer College of Business will be responsive to emerging developments in industry and business education.

OTHER UNIVERSITY POLICIES

Information pertaining to the following policies is located at the web site shown below. Be sure to read these policies:

- Classroom Behavior Policy
- Academic Integrity Policy
- Student Accommodation Policy
- Laptop Computers in the Classroom
- University Attendance Policy

<http://www.rowan.edu/studentaffairs/communitystandards/handbook.html>

Appendix A

McGraw-Hill's Connect

HOW TO REGISTER:

- Go to your section homepage (can be found on the course syllabus)
- Check your class details and click "Register Now".
- Enter your email address and proceed.
- The next page gives the 3 purchase options.
 1. If you purchased a new book package from the bookstore, you will have a Connect plus access code for registration, which comes with the book. Enter the code and submit.
 2. If you purchased a used book and need to purchase Connect access only, or if you want to purchase Connect plus access, which will give you access to the e-book, use the "Buy Access Online" option.
 3. "Start Free Trial" gives you free access to Connect plus for 3 weeks. You may want to use this option, if you are considering dropping the course.

CONNECT HW POLICIES

- Questions:
 - Each HW is worth 100 points total.
 - Scrambled questions, from question pools with random picks.
 - Algorithmic questions. (A different version of question each time viewed.)
- Attempts allowed = 2
 - Build on your previous work
 - Students begin each new attempt using their previous attempt, so they can correct and build on it.
 - Feedback includes question score, total score, indication of correct & incorrect answers but NOT the solution
 - No point deduction to each assignment attempt.
- Availability and Due Dates:
 - All assignments will be available from the beginning of the semester.
 - Each assignment has a different due date.
 - Assignments will be automatically submitted "as-is" on due date.
 - Due 11pm on the due date.
 - No late submittal allowed.
 - No time limit for the assignments.
- During the assignment: You will have access to resources (when available), such as library resources, hint, references, point value.
- After the assignment, you will get detailed feedback.
- Save & Exit:
 - A student clicking this button would have any work done on this page saved and then be returned to the home page/assignment list.
- Under the Library Tab:
 - E-book
 - Self-Quiz and Study
- Non-Graded HW, for practice.

Appendix B

END OF SEMESTER GRADE CALCULATION

				Points	Weight	Total
Exam-1					0.25	
Exam-2					0.25	
Final Exam					0.30	
Homework Assignments						
	Homework Assignment-1		0.7			
	Homework Assignment-2		0.7			
	Homework Assignment-3		0.7			
	Homework Assignment-4		0.7			
	Homework Assignment-5		0.7			
	Homework Assignment-6		1.0			
	Homework Assignment-7		0.7			
	Homework Assignment-8		0.7			
	Homework Assignment-9		0.7			
	Homework Assignment-10		1.0			
	Homework Assignment-11		0.7			
	Homework Assignment-12		0.7			
	Homework Assignment-13		1.0			
Total Homework Points					0.15	
Special Projects						
	Junior-Year Career Development Program					
	Career Expo and Graduate School Fair					
Total Special Project Points					0.05	
TOTAL POINTS						