

Albers School of Business and Economics

FINC 3400 Business Finance

Spring Quarter 2022; Section 2&3

Pigott 101

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Office: virtual

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Office Hours: By appointment via Zoom or email

Course website: Canvas

Course Description:

This course presents the foundations of finance, which are the building blocks of what we call the core principles of financial management, relied upon by corporate managers. Course discussion will include the theory, the methods, and the concerns of corporate financial decision making with reference to investing, financing and valuation. Topics covered in this course include the concept of time value of money, the opportunity cost of capital, a consortium of valuation techniques, risk and return relationship, capital budgeting/investment decision criteria. An equally important component of this course is its emphasis on developing your critical skills in comprehension and in application of these fundamental theories.

Learning Objectives:

The primary learning objective of this course is to provide students with the tools to develop critical thinking framework which includes qualitative comprehension and quantitative skills to interpret, analyze and utilize information to solve business problems and make decisions.

Students who complete this course will be able to:

1. Understand the objectives, functions, and principles of financial management
2. Understand and apply the concept of time value of money and interest rate compounding
3. Understand how financial securities are valued
4. Understand the theory of risk and return and the principles of securities valuation
5. Understand the principles and techniques of capital budgeting analysis and project selection
6. Understand the theory of cost of capital
7. Apply the principles of financial management to business and personal decisions

PREREQUISITES

The course prerequisite is ACCT 2300, ECON 2130, and quantitative skills at the level of intermediate algebra.

The course assumes that you have completed introductory courses in basic algebra, finance, accounting, and statistics. You are expected to have proficiency in (i) all mathematics up to calculus, (ii) accounting principles, (iii) basic statistics, especially knowledge on probability distributions, mean, variance, covariance, and regression analysis. (iv) spreadsheet modeling in Microsoft Excel, and (v) internet skills such as searching, email, downloading files, etc. If you have not completed the necessary coursework or do not feel comfortable with the requisite skills, you will find the concepts introduced in this course difficult.

Please come to me if you have any questions about the requirements.

Course Material:

Text: Fundamentals of Corporate Finance, by Berk, DeMarzo and Harford, 5th edition (Pearson)

Financial Calculator: You are required to have a calculator that can perform financial calculation. In class I will be using Hewlett Packard HP 19BII. The other option is to use calculators that have built-in financial functions. It should be able to calculate IRR (internal rate of return) for a stream of uneven cash flows.

MyFinanceLab: MyFinanceLab (MFL) is an online homework, tutorial, and assessment system that accompanies our textbook. It can be accessed at <http://myfinancelab.com>

Homework of this course will be assigned on and graded by MyFinanceLab.

Class Evaluations:

Activity	% of grade
Participation	10%
Homework	30%
Group project	15%
Midterm exam	20%
Final exam	25%

Attendance/Class Format:

An integral part of the learning experience is attendance and participation, along with the classroom environment, which will be one of discussion and collaboration. Therefore,

students are advised to arrive on time for class and to come to class prepared by completing the required reading of the chapter to be covered in class. You will earn points for each class you attend. Your attendance grade will be determined by your total individual points divided by the total possible points. And it will determine the final % earned. This will be the best time to ask questions.

Homework Assignments:

There will be weekly homework assignment posted on Canvas that covers each chapter that we study in class.

Group project:

Students should form teams of no more than 3 students for the group project. Students will be responsible for preparing for each case such that you could present to the class if called upon. More details to come on project

Exams:

The mid-term and final exams will be in-person timed exams on. Each will be comprehensive of the course up to that point. You will need a financial calculator for these. Please show all work and completely explain your answers to earn full credit. The method used to solve a problem is as important as the solution. There is no make-up exam except per documented hardship as prescribed by university policy.

Weekly Class Calendar:

This calendar provides a planned outline of the course topics and events. If deviations occur and it will be announced in class and on the course website. It is your responsibility to be informed of these changes.

Week	Topic Covered	Textbook Chapter	Homework/Cases/Exam
Week 1	Time value of money	3	HW 1
Week 2	Cash flows valuation	4	HW 2
Week 3	Interest rate	5	HW 3
Week 4	Investment criteria	8	HW 4
Week 5	Capital budgeting	9	HW 5
Week 6	Midterm Bond valuation	6	HW 6

Week	Topic Covered	Textbook Chapter	Homework/Cases/Exam
Week 7	Stock valuation	7	HW 7
Week 8	Risk and return	11	HW 8
Week 9	Portfolio Analysis	12	HW 9
Week 10	CAPM	12	TBD/ HW 10
Week 11	Final Exam	-	

Letter Grading Scale:

Grades are based on cumulative points scored using SU standard grading scheme.

A	95-100	C+	77-79.99
A-	90-94.99	C	74-76.99
B+	87-89.99	C-	67-72.99
B	84-86.99	D	60-66.99
B-	80-83.99	F	<59.99

Additional Information

Academic Resources:

- Library and Learning Commons (<http://www.seattleu.edu/learningcommons/>). (This includes: Learning Assistance Programs, Research [Library] Services, Writing Center, Math Lab)
- Academic Integrity Tutorial (found on Canvas and SU Online)

Academic Policies on Registrar website:

(<https://www.seattleu.edu/redhawk-service-center/academic-policies/>)

- Academic Integrity Policy
- Academic Grading Grievance Policy
- Professional Conduct Policy (only for those professional programs to which it applies)

Notice for students concerning Disabilities:

If you have, or think you may have, a disability (including an 'invisible disability' such as a learning disability, a chronic health problem, or a mental health condition) that interferes with

your performance as a student in this class, you are encouraged to arrange support services and/or accommodations through Disabilities Services staff located in **Loyola 100**,

(206) 296- 5740. Disability-based adjustments to course expectations can be arranged only through this process.

Office of Institutional Equity:

Title IX of the Education Amendments of 1972 (Title IX) prohibits discrimination based on sex in educational programs or activities that receive Federal financial assistance. This prohibition includes sexual misconduct, which encompasses sexual harassment and sexual violence. Seattle University remains committed to providing a safe and equitable learning, living, and working environment. Seattle University offers emergency, medical, and other support resources, as well as assistance with safety and support measures, to community members who have experienced or been impacted by sexual misconduct.

Seattle University requires all faculty and staff to notify the University's Title IX Coordinator if they become aware of any incident of sexual misconduct experienced by a student.

For more information, please visit <https://www.seattleu.edu/equity/>. If you have any questions or concerns, you may also directly contact the Title IX Coordinator in the Office of Institutional Equity (**email:** oiie@seattleu.edu; **phone:** 206.296.2824) University Resources and Policies).