I. COURSE DESCRIPTION:

This course is the foundation course in the field of finance. It introduces you the basics of the financing and investment decisions of financial managers. Included are topics such as financial mathematics, net present value, capital budgeting, valuation of financial securities, risk and return, cost of capital, capital structure, dividend policy, working capital management, and international corporate finance.

This course will be one of the most challenging and rigorous courses in your business program. Unlike some courses in which you may be familiar with most of the concepts from your daily experience, you will encounter new concepts and terminologies in this course. In addition, most topics are quantitative in nature. This means that you need to work hard and keep up with the pace of the course. My past experience suggests that if you lag behind the class schedule, it would be very difficult to catch up.

II. COURSE REQUIREMENTS AND PROCEDURES:

A. Prerequisites

The pre-requisites for this course are listed in the course catalogue. The instructor reserves the right to administratively drop, at any point, any student who has not met the prerequisites. Students choosing to withdraw from this course are responsible for doing so according to university procedures and deadlines.

B. Course Materials

  (It is fine to use a previous edition, but your submitted homework should be based on the current end-of-chapter problems since numbers have been changed.)
- A subscription to the Wall Street Journal and a financial calculator (either TI BA II Plus or HP 10B) are highly recommended. Reading newspapers/periodicals is a good way to begin a lifelong pattern of professional reading. We will discuss significant financial events as they occur.

C. On-Line Access

Lecture notes and other supplemental materials are available for on-line access on the school web site. The URL address is http://courses.csusm.edu/fin304wt/; the user name is pupil, and the password is green. Solutions to the end-of-the-chapter problems will be posted on the web after home work is collected.

D. In the Classroom

You are expected to read the material before the day on which it is discussed in class. You will be responsible for the material and all reading assignments regardless of whether or not they are covered in lecture. Additionally, I supplement textbook with material introduced in lecture and you are responsible for all material presented in class.

To encourage class participation and keeping informed of current issues, I will award extra credit to those who present to the class a news story which is related to the class topics. Please be
organized and prepared to tell the story and bring up the insights from the news in 3 minutes. The third (and beyond) extra credit will be awarded at my discretion only to those stories worthy of extra credit. That is, you have the privilege to try, learn, and earn extra credits for two times.

E. **Home Work and Computer Usage**

The assigned end-of-chapter problems are listed on the syllabus for your exercise. You need to turn in homework chapter by chapter in the following week after we finish the lecture. You are also expected to try the review and self-test problems at the end of each chapter. In addition, the adopted textbook comes with a disk of Financial Analysts Spreadsheet Templates (FAST). You should try on related problems to enhance your spreadsheet skills. You can even apply these spreadsheet to related problems in your job.

F. **Grading**

In order to ensure that fair grading practices are applied in each Accounting and Finance course, departmental grading guidelines have been established for determining students course grades. These grading guidelines vary by course. The specific guideline for this course is that final grades should average 2.5 with a permissible margin of +/- .3 points. The final grade point average for this course is at the discretion of the instructor, but it is unlikely to deviate from the Departmental guidelines.

Grading will be based upon your performance on three exams, homework, and one paper:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Midterm Exams</td>
<td>50%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>30%</td>
</tr>
<tr>
<td>Homework</td>
<td>10%</td>
</tr>
<tr>
<td>Paper</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total Points</strong></td>
<td><strong>100 points</strong></td>
</tr>
</tbody>
</table>

**Working Curve:**

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Points</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>90-100%</td>
<td>90-100 points</td>
<td>A</td>
</tr>
<tr>
<td>80-89%</td>
<td>80-89 points</td>
<td>B</td>
</tr>
<tr>
<td>70-79%</td>
<td>70-79 points</td>
<td>C</td>
</tr>
<tr>
<td>60-69%</td>
<td>60-69 points</td>
<td>D</td>
</tr>
<tr>
<td>Less than 59%</td>
<td>59 points and below</td>
<td>F</td>
</tr>
</tbody>
</table>

The professor reserves the right to modify the guidelines. Attendance and consistent class participation will be considered in assigning grades to students who are borderline between A and B, B and C, etc...

G. **Exams**

Exams may include multiple choice, essay, and problem-style questions. Multiple-choice questions are graded by machine. Students must prepare Scantron form 882 (available from the Bookstore). Cheating, removal of question booklets from the classroom, or other misconduct will result in an automatic F for the course. Students with special testing needs or disabilities should inform me as soon as possible.

Disagreements in grading should be submitted in writing for my review.

H. **Make-up Policy**

You are expected to take all exams when scheduled. If for some reason you are not able to do so, contact me before the exam as soon as possible. Make-up exams are a privilege not a right, and will be given at my discretion. The reason for your absence must be documented by a medical doctor or CSUSM official. There is no provision for extra work to make up for deficient performance.

I. **Writing Assignment**

You have to turn in a paper of 10 double-spaced pages. This paper is due on the last week (one week before the final exam). You can choose one to five financial topics related to our course
subjects. That is, you can either write on one topic for 10 pages or up to 5 topics with 2 pages each.

Your paper should contain a cover page and a table of contents. You can organize your writing in sections with section titles. You need to provide proper citations and clearly list references about sources of information. Make sure that your spellings and grammar are correct.

I recommend that you write your papers as concise as an executive summary. In general, you need to describe the background of the topic at hand, the recent development, the current issues (for example, parties involved, and the conflict of interests between them), the implication, your analyses and suggestions, and even your conjecture of the possible outcome.

J. **Ethical Issues and International Coverage**

Business ethics is covered mainly in the introduction of the concept whenever it is relevant in each chapter. Almost in each chapter, the international aspects of the subject matter are discussed.

IV. **RELEVANT UNIVERSITY INFORMATION:**

A. **University Procedures (add/drop and withdrawal)**

Students must be present at the initial meetings to guarantee their place in the course. I have the option of making enrollment in this course contingent upon attendance during the first week of classes. If students are unable to attend the class meetings in the first week, they should notify me in advance that they wish to remain enrolled in the course.

Students will not be dropped for not attending class. It is the student’s responsibility to withdraw from the course. Please follow the university procedures and be aware of the add/drop deadline.

B. **University Grading Standard**

A grade of F is warranted if the student has remained active in the class for at least 60% of the term, and has failed to meet minimum course requirements. When a student has stopped participating in the class prior to this point, a grade of U should be assigned.

C. **Disability Accommodations**

If you require an accommodation based on a disability, please meet me in my office during the first week of the semester to be sure you are appropriately accommodated.

D. **Academic Honesty Policy**

The maintenance of academic integrity and quality education is the responsibility of each student within CSUSM and the CSU system. Cheating and plagiarism in connection with an academic program at a campus is listed as an offense for which a student may be expelled, suspended, put on probation, or given a less severe disciplinary sanction.

IV. **COURSE OUTLINE (tentative):**

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topic</th>
<th>Chapter</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1/22</td>
<td>Course Introduction / Introduction to Finance</td>
<td>I</td>
</tr>
<tr>
<td>1</td>
<td>1/24</td>
<td>Financial Statement and Cash Flow (Problems-Chap. 2: #11-14, 19-22) (Problems-Chap. 3: #9)</td>
<td>2&amp;3.1</td>
</tr>
<tr>
<td>2</td>
<td>1/29</td>
<td>Time Value of Money (Problems: # 1-6, 10, 12, 18, 20)</td>
<td>5</td>
</tr>
<tr>
<td>2&amp;3</td>
<td>1/31 – 2/7</td>
<td>Discounted Cash Flow Valuation (Problems: # 1,3,6,12-13,15,17,19-21,27,36,38,39,45-46,48,55-56,66,69)</td>
<td>6</td>
</tr>
<tr>
<td>Week</td>
<td>Date</td>
<td>Topic</td>
<td>Remarks</td>
</tr>
<tr>
<td>------</td>
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<td>--------------------------------------------</td>
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</tr>
</tbody>
</table>
| 4&5  | 2/12 - 19 | Stock and Bond Valuation                  | (Problems: Chap. 7: # 2-7, 16-19, 23-24) | 7&8
|      |       |                                            | (Problems: Chap. 8: # 1-4, 9, 13, 16-19) | 7.1, 7.5
| 5    | 2/21  | Catch-up and Review                        |                          | 8.1, 8.3
| 6    | 2/26  | First Midterm Exam                         | 1-3, 5-8                 |
| 6&7  | 2/28 & 3/5 | NPV and Investment Criteria               | 9                       |
|      |       |                                            | (Problems: # 3, 4, 6, 7, 9-12, 14-18, 23) | 10
| 7&8  | 3/7 & 12 | Making Capital Investment Decisions       |                          | 12
|      |       |                                            | (Problems: #1, 2, 4, 7-12, 17-21) | 13
| 8    | 3/14  | Capital Market History                     |                          | 15
|      |       |                                            | (Problems: # 1-4, 7, 9, 17-19) | 16
| 9    | 3/19 & 21 | Risk and Return                            |                          | 17
|      |       |                                            | (Problems: # 2,4,6,7,9,10,12,17-19,24,26) | 18
| 10   | 3/26 & 28 | Spring Break – Have fun!                  |                          | 19
| 11   | 4/2 & 4 | Cost of Capital                            |                          | 20
|      |       |                                            | (Problems: # 3-5, 7-10, 12-15, 17, 20) | 21
| 12   | 4/9   | Second Midterm Exam                        |                          | 22
| 12&13| 4/11 - 18 | Capital Structure                          |                          | 23
|      |       |                                            | (Problems: # 1-2, 4-5, 8-9, 17) | 24
| 14   | 4/23 & 25 | Dividend Policy                            |                          | 25
|      |       |                                            | (Problems: # 1-6, 12-16) | 26
| 15   | 4/30  | Short-Term Finance and Planning            |                          | 27
|      |       |                                            | (Problems: #1, 3-6, 9, 11-13) | 28
| 15&16| 5/2 & 7 | International Corporate Finance            |                          | 29
|      |       |                                            | (Problems: #1, 3-9, 11, 12, 14) | 30
| 16   | 5/9   | Long-Term Finance                          |                          | 31
| 17   | 5/16  | FINAL EXAM: Wednesday, 1600-1800          |                          | 32

The course outline is subject to change. It is the student’s responsibility to attend class and keep up with any changes. Included in the parenthesis underneath each topic are the numbers of recommended problems for each chapter.

V. MY TEACHING PHILOSOPHY AND STYLE

Life-long learning is my personal paradigm. Through teaching, I hope to learn with my students.

A solid understanding of the basic principles in financial economics is very important for understanding business practices. In teaching, I like to emphasize the economic intuition behind the financial principles. It is my hope that, from my classroom, you will carry something with you after the final exam, which will be helpful in your careers.
I strongly believe that a supportive and non-intimidating environment can greatly enhance students' thinking, learning, and interaction. I try to combine an informal and relaxed demeanor with very organized lectures. Since I consider teaching a joint-learning process, mutual respect and enthusiastic involvement are part of the atmosphere in my classroom. In this atmosphere, students can enjoy learning and become life-long learners in your careers.

VI. HOW TO GET AN A FOR FIN304?

1. Attend class every day. Not many students can do well in the course without regular attendance.

2. Read the assigned material before each class.

3. After the lecture, review your notes and make any additions in your own words while the material is clear in your head. That is, do some follow-up work.

4. Re-read the chapters of the book to clarify points. This step can help you integrate what you have learned.

5. Work as many problems as you can.

6. You cannot learn finance by only studying the week of the exams.

7. Finance 304 is a core part of your business school education. It is a difficult and challenging course and deserves a lot of your attention.