

BUSINESS/ECON 237
Introduction to Finance
Section 01

Reid 105
TR 9:30 – 10:50 a.m.
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Kent Grote
Young 306
Office Hrs: TR 11:00 a.m. – 12:00 noon
W 10:00 a.m. – 11:30 a.m.
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Objectives: Develop a basic understanding in three components of finance: principles, decision-making, and financial instruments. Understand the links among finance, business activities and real world events.

Prerequisites: Econ 110 and Math 110 or Math 160 with grades of C- or better.

Text: Busn/Econ 237: Introduction to Finance, custom text available in the college bookstore.

Supplementary Materials:

1. You will need a financial calculator by the third week of the course (September 9).
2. You should read a financial publication such as *The Wall Street Journal*, *Barron's*, or *Business Week* on a regular basis. Individual subscriptions are available at student rates (ask me!) and they are available in the college library. Keeping up on current events and being able to discuss them intelligently will help for the participation grade.

Grades: Grades for the course will be determined primarily by your performance on homework assignments and exams. There will be four exams during the semester; the dates are given below. Each exam is worth 20% of your final grade. Homework assignments will comprise the remaining 20%, while attendance and participation will be considered in calculating final grades. Each student is also expected to complete training on Excel through sessions held in the library. More information on these sessions is included after the schedule on the back of this syllabus. Failure to complete the training will result in an automatic deduction of 3% off the final grade.

Exams: Exams will consist of short answers, medium length essays and problems. Each student will need to bring a financial calculator for the exam. Your presence is both expected and required unless you have a legitimate excuse and have contacted me prior to the exam. Otherwise you will receive a zero for the exam. The exam dates are:

- Exam 1: Thursday, September 18
- Exam 2: Thursday, October 16
- Exam 3: Thursday, November 13
- Exam 4: Friday, December 12, 8:30 a.m. (final)

The final will not be comprehensive (although the course itself is very much based on your retention of knowledge about the previous material). **The date of the final is set by the college and you must be present to take the exam at that time.** Be prepared to do your own work on exams. Any students caught cheating will be asked to leave and will receive a zero on the exam.

Homework: Graded homework assignments will be made throughout the semester. It is your responsibility to be in class and know when homework assignments are due. All homework assignments are due at the beginning of class and late homework assignments will be docked one letter grade (10%) for every day they are late, grade deductions starting immediately. I encourage you to work with other students on the homework; however, each student must write out and turn in their own homework assignment.

In addition to the graded homework assignments there will be daily homework assignments (not to be handed in) as the semester progresses. Students will be called upon to present problems on the board in class or discuss other prepared answers with the class—being able or unable to do this when called upon will affect the participation grade.

Attendance: Attendance in the course is expected. If you have more than three unexcused absences during the semester, it will affect your final grade. Consistent attendance coupled with active participation will be rewarded and will especially affect borderline grades and pluses and minuses. If you are going to miss class for any reason, please let me know in advance so I can give you any reading and homework assignments.

Date	Day	Class Lecture	Pages	Coverage in class	
28-Aug	R	Ch 1	1-16	Business organizations	
2-Sep	T	Ch 2	20-38	Financial statements and taxes	
4-Sep	R	Ch 3	47-76	Ratio analysis	
9-Sep	T	Ch 5	89-107	Time value of money	
11-Sep	R	Ch 6	113-132	Discounted cash flow valuation	HW 1 due
16-Sep	T			Review for exam	
18-Sep	R	Exam 1			
23-Sep	T		132-143	EAR and amortization	
25-Sep	R	Ch 7	159-174	Bonds: pricing, yields, features	
30-Sep	T		175-193	Bonds: ratings, types, yield curves	
2-Oct	R	Ch 8	201-223	Stocks: pricing, features, markets	HW 2 due
7-Oct	T	Ch. 11	232-253	Project analysis and evaluation	
9-Oct	R	Ch 12	263-289	Average returns; efficient markets	HW 3 due
14-Oct	T			Review for exam	
16-Oct	R	Exam 2			
21-Oct	T	Fall Break			
23-Oct	R	Ch 13	297-304	Expected returns and variances	
28-Oct	T		305-323	Risk and CAPM	
30-Oct	R	Ch 15	333-504	Cost of capital and WACC	
4-Nov	T	Ch 17	367-383	Capital structure and M&M	
6-Nov	R		383-398	Optimal capital structure, bankruptcy	HW 4 due
11-Nov	T	Ch. 18	406-439	Cash dividends, payments and policies	
13-Nov	R	Exam 3			
18-Nov	T			Options and futures contracts	
20-Nov	R			Hedging and speculating	
25-Nov	T	Ch. 22	440 - 450	International finance	
27-Nov	R	Thanksgiving Break			
2-Dec	T		450 – 461	Interest rate parity	
4-Dec	R			Mergers and acquisitions	HW 5 due
9-Dec	T			Review for final exam	HW 6 due
12-Dec	F	FINAL EXAM: 8:30 a.m.			

Excel Workshops:

This is a recurrence of the same workshop each date so students only need to attend one session until mid to late October. Seating at each session is limited to 30. All sessions will be held in Room 203 of the Donnelley & Lee Library. A sign-up sheet will be circulated at each workshop to track attendance. Students may email Connie Corso to reserve a seat, or they can take their chances that a seat will still be open at a workshop.

Tuesdays and Thursdays 7pm to 10pm (September 9th through November 25th)
Sundays 1pm to 4pm (September 14th through November 23rd)

NO WORKSHOPS on the following dates: September 16th, September 18th, October 19th, October 21st