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Chicago, IL 60611
Office hours: Mon-Wed-Fri: 12:30-1:30p, 2:45-3:45p
Recommend advance notice.

Introductory Business Finance, 301.102
Spring 2018
Mon-Wed-Fri, 1:40-2:30p
Corboy 207

Catalogue: The objective of this course is to provide students with an understanding of the principles of business finance: capital investment, financing, capital structure, and business ethics.

Outcome: Students will demonstrate knowledge of financial analysis, time value of money, financial decision making, the valuation of financial and physical assets, the risk-return tradeoff, capital budgeting, and dividend policy.

Course Overview: The objective of this course is to provide an understanding of the underlying principles of business finance. Topics will include, but are not limited to:

| | | |
|--------------------|-----------------------|----------------------|
| Financial Analysis | Cost of Capital | Capital Markets |
| Risk / Return | Time Value of Money | Capital Structuring |
| Capital Investment | Cash Flow Management | Working Capital |
| Bond Evaluation | Stock Evaluation | Liquidity Management |
| Dividends | International Finance | Risk Management |

The instructor will integrate contemporaneous market and corporate developments into the class discussion and, as well, issues of business ethics and socio-economic responsibility. In the Loyola tradition, there will be a particular focus on the accountabilities of corporate management and directors to a broadly-defined constituency of stakeholders.

Required Materials:

- **Textbook.** *Fundamentals of Corporate Finance*. Ross, Westerfield, and Jordan. 11th edition, Standard. McGraw Hill. I will not use the Connect function. Do not try to get by with an earlier edition – the homework assignments and sometimes the chapter designations are different.
- **Financial Calculator.** Students are expected to be able to use a financial calculator and a worksheet (e.g., excel).
- **Sakai.** Lectures, homework, class information, and problems, typically in PowerPoint format, will be posted on Sakai as we go forward. Students are encouraged to download the lecture notes prior to class

Course Requirements and Grading Criteria:

- **Homework Assignments.** Homework will be generally assigned for every chapter. All assignments are to be submitted electronically using email directly to [gdavidson@luc.edu](mailto:g davidson@ luc. edu) Assignments are due before the class immediately following completion of the relevant chapter(s). Inasmuch as I will upload the solutions to Sakai, late assignments will not be accepted.
- **Exams and Grading.** There will be two (2) quizzes, one (1) Midterm and one (1) Final.
Grade Weights:
 - Homework/attendance/participation, 10%
 - Two Quizzes 15% each
 - Midterm 30%
 - Final, 30%
- **Extra Credit.** As a matter of equity, there is no extra credit on an individual or bilateral basis. That said, I will typically offer extra credit in the form of a bonus question(s) on the tests.

Grading Scale:

| Course Grading Scale | |
|----------------------|--------------|
| A | 100-93% |
| A- | 92-90 |
| B+ | 89-87 |
| B | 86-83 |
| B- | 82-80 |
| C+ | 79-77 |
| C | 76-73 |
| C- | 72-70 |
| D+ | 69-67 |
| D | 66-60 |
| F | 59 and below |

| Loyola University Grading Scale and Weights | |
|---|------|
| A | 4.00 |
| A- | 3.67 |
| B+ | 3.33 |
| B | 3.00 |
| B- | 2.67 |
| C+ | 2.33 |
| C | 2.00 |
| C- | 1.67 |
| D+ | 1.33 |
| D | 1.00 |
| F | 0 |

Quinlan School of Business Policies:

Attendance

Class attendance and participation are fundamental components of learning, so punctual attendance at all classes, for the full class meeting period, is expected of Quinlan students. Faculty may set participation policies unique to their courses and use class participation as a component of the final grade. The student is responsible for any assignments or requirements missed during an absence.

Make-Up Examinations

Loyola University academic policy provides that tests or examinations may be given during the semester or summer sessions as often as deemed advisable by the instructor. Because Quinlan faculty believes examinations represent a critical component of student learning, required examinations should be taken during the regularly scheduled class period. Make-up examinations are discouraged. Exceptions may be granted only by the faculty member or department chair, and only for unavoidable circumstances (illness verified by a signed physician's note, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, or religious observance). A make-up final examination may be scheduled only with the permission of the appropriate Quinlan Assistant or Associate Dean.

If a make-up examination must be given, it is the responsibility of the faculty member to prepare, schedule, and proctor the exam. The only regular exception is for a student athlete, who may use the testing services of the Athletics Department to complete a make-up examination. For a student with a documented special testing need, please consult University policy concerning use of the testing center in Sullivan Center at Lake Shore Campus.

Academic Integrity

All members of the Quinlan School shall refrain from academic dishonesty and misconduct in all forms, including plagiarism, cheating, misrepresentation, fabrication, and falsehood. Plagiarism or cheating on the part of the student in individual or group academic work or in examination behavior will result minimally in the instructor assigning the grade of "F" for the assignment or examination. In addition, all instances of academic dishonesty must be reported to the chairperson of the department involved.

For further information about expectations for academic integrity and sanctions for violations, consult the complete Quinlan School of Business Honor Code and Statement of Academic Integrity on the Quinlan website:

<http://www.luc.edu/media/lucedu/quinlanschoolofbusiness/pdfs/Honor-Code-Quinlan-July2012.pdf>

Timeline

| Date | Chapter(s) | Topic |
|-------------|---------------------------|-------------------------------------|
| Jan 15 | <i>MLK Holiday</i> | |
| Jan 17 | Intro | Corporate Finance |
| Jan 19 | Chap 1 | |
| Jan 22 | Chap 2 | Fin Statements and Cash Flow |
| Jan 24 | | |
| Jan 26 | Chap 3 | Working with Fin Statements |
| Jan 29 | | |
| Jan 31 | | |
| Feb 2 | <i>Quiz 1</i> | |
| Feb 5 | Chap 6 | DCF Valuation |
| Feb 7 | | |
| Feb 9 | Chap 7 | Interest Rates and Bonds |
| Feb 12 | | |
| Feb 14 | <i>Midterm 1</i> | |
| Feb 16 | Chap 8 | Stock Valuation |
| Feb 19 | | |
| Feb 21 | Chap 9 | NPV and Investment Criteria |
| Feb 23 | | |
| Feb 26 | Chap 10 | Making Capital Investment Decisions |
| Feb 28 | | |
| Mar 2 | <i>Quiz 2</i> | |

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|--------|------------------------------|---------------------------------|
| Mar 5 | <i>Spring Break</i> | |
| Mar 7 | | |
| Mar 9 | | |
| Mar 12 | Chap 12 | Capital Markets |
| Mar 14 | | |
| Mar 16 | Chap 14 | Cost of Capital |
| Mar 19 | | |
| Mar 21 | Chap 15 | Raising Capital |
| Mar 23 | | |
| Mar 26 | Chap 17 | Dividends |
| Mar 28 | | |
| Mar 30 | <i>Easter Holiday</i> | |
| Apr 2 | | |
| Apr 4 | <i>Midterm 2</i> | |
| Apr 6 | Chap 18 | Short Term Finance |
| Apr 9 | | |
| Apr 11 | | |
| Apr 13 | Chap 19 | Liquidity Management |
| Apr 16 | | |
| Apr 18 | Chap 20 | Credit and Inventory Management |
| Apr 20 | | |
| Apr 23 | Chap 21 | International Finance |
| Apr 25 | | |

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|-------------|--------------------------|
| Apr 27 | <i>Slip</i> |
| May 3 1p | <i>Final Exam</i> |

Please note: This class may occasionally deviate from the course outline above.
The instructor reserves the right to make changes as needed to the course syllabus.