



George Davidson
gdavidson@luc.edu
Schreiber Center, 218
Chicago, IL 60611
Office hours: Mon-Wed-Fri: 12:30-1:30p, 2:45-3:45p
Recommend advance notice.

Introductory Business Finance, 301.104
Spring 2018
Mon-Wed-Fri, 8:15-9:05a
Schreiber 725

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>	

Mar 5	Spring Break	
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	Easter Holiday	
Apr 2		
Apr 4	Midterm 2	
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		

Apr 27	<i>Slip</i>
May 3 9a	<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.