

**Southern Illinois University Carbondale**  
**College of Business**  
**Finance Department**  
**Syllabus - FIN 361 – Management of Business Finance – Spring 2015**

**Instructor Information**

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**Course Place and Time**

Tue, Thu 12:35 – 01:50 pm (Rehn 13)  
Tue, Thu 02:00 – 03:15 pm (Pulliam 119)

**Office Hours**

Tue, Thu 03:30-04:30 pm  
(If you plan to come to office hours, drop me an email by 11am the same day or notify me after that day's class)  
Other times available by appointment  
Special office hours schedule before exams

**Course Objective and Summary**

As the second undergraduate course in corporate finance, the purpose of FIN 361 is to provide business students with a greater depth of understanding of topics that are important to the financial management of the modern business corporation.

My primary goal is to help you develop a framework and acquire necessary knowledge from which you can think about and analyze corporate financial decisions (i.e. to think like a CFO). Although theory will also be studied, we will tend to focus on the more practical applications of the topics covered in this course.

**Prerequisites**

FIN 330 (Introduction to Finance) with a grade of C or better, junior standing, and business major or minor.

**Course Materials**

Textbook:

Ross, Westerfield and Jaffe, Corporate Finance, 10th edition, McGraw-Hill, 2013.

This book has a web site with additional resources that you may find useful (see below).

[http://highered.mheducation.com/sites/0078034779/student\\_view0/index.html](http://highered.mheducation.com/sites/0078034779/student_view0/index.html)

Slides, which outline each lecture, will be made available online before each class. I may also distribute some articles online throughout the semester.

### Financial Calculator

You will need a financial calculator for the course and for the exams. You should already have one from FIN 330. Consult the user's manual and familiarize yourself with the operations that are needed for this course. Every financial calculator is different, so I may not be familiar with your calculator. The best way to learn how to operate your financial calculator is from reading the user's manual. Two of the popular models are Texas Instruments BAII Plus and HP 10-BII if you are considering to buy one.

### Attendance

Attendance is not mandatory, but is strongly encouraged. If you miss a class, then you are responsible for getting whatever information you need from a classmate (not from me). This applies to questions about upcoming exams.

### Grading Scheme: Basic Components 100%

What	When	Where	Weight
Quizzes	Assignment due date	In class	10%
Midterm Exam 1	Feb 24 (Tue)	In class	25%
Midterm Exam 2	Apr 7 (Tue)	In class	25%
Final Exam	TBD	TBD	40%

### Grading Scheme: Extra Credits 10%

What	When	Where	Weight
Class Participation	Every class	In class	5%
Assignments	Assignment due date	In class	5%

The following grades will be assigned for the respective average equivalents:

A: (90% <= Grade), B: (80% <= Grade < 90%), C: (70% <= Grade < 80%),  
D: (60% <= Grade < 70%), F: (Grade < 60%).

*Assignments:* Practice questions will be assigned for each chapter to help you internalize the content covered in the chapter. You are not required to turn in the assignment write-ups, but are encouraged to do so. If you choose to submit assignments, you may earn up to 5% bonus points.

*Class Participation:* I encourage good discussions and lively debates in class that help enhance everyone's learning experience. Class participation points come from good questions you asked or good comments you made in class related to the course materials. You will not get class participation points by merely showing up in class. Similarly, poorly thought over, face-time questions or comments will not earn you class participation points.

*Quizzes:* On the day when an assignment is due, a short quiz will be conducted in the beginning of the class. The materials covered in the quiz are usually same as those covered in the assignment due that day. There may be exceptions - please watch for announcements. There will be approximately 10 quizzes throughout the course. The worse three performances (including no-shows) will not be counted towards the final grade.

## Midterm and Final Exams

*Exam Attendance:* If you miss a midterm for a legitimate reason (e.g. severe illness), then the weight of the missed midterm will be shifted to your final exam. If you don't have a legitimate reason, then you will receive a score of zero. There are no alternative exam dates, so if your schedule prevents you from sitting for an exam, don't take the class. You are not allowed to take the exam if you are late for more than 15 minutes. A student who finishes an exam early will be asked to remain in the room until the end of the allocated test time.

*Materials Tested:* The midterms will include whatever materials we have covered up until the day of the exam. The second midterm is non-cumulative. **However, the final exam is cumulative;** anything and everything covered throughout the course is fair game on the final. Exam questions can cover anything in either the lectures, or the assigned articles. Materials in the textbook that are not covered in one of these other sources will not be on the exam.

*Formula Sheet and Other Materials:* You may bring a calculator to the exams. You need to have your SIU student ID out in plain sight while taking the exams. No electronic communication devices of any kind may be accessed during examinations. A formula sheet will be provided to you during the exams. You are not allowed to bring your own formula sheets.

*Re-Grading:* You may request one full re-grading for each exam. Re-grading requests must be made in writing, and you must explain why the manner in which your exam was graded does not correspond to the information in the answer key, which will be made available after the exam. A full re-grading means that the *entire* exam is re-graded. Therefore it is possible for the re-graded score to be lower than the original score. Re-grading requests must be made within one week after the exam has been returned.

## Academic Integrity

Academic dishonesty will be dealt with severely. Any suspected cases of academic dishonesty will be referred to the Dean for the appropriate disciplinary action. The stiffest penalty under University policy will be recommended.

## Other Information

1. The best way to learn is solving problems on your own. I will assign practice questions throughout the course to help you understand the materials covered.
2. I will not discuss forthcoming exams during office hours or outside the class. All students will have the same information concerning exams, so ask questions concerning any forthcoming exam during class.
3. Incomplete grades will not be given except under appropriate circumstances. Requests for an incomplete must come shortly after such time that the student established conditions whereby he/she will be unable to finish the course.

### **Classroom Conduct**

You are not required to attend the lectures. If you choose to come to class, please show respect to me and your fellow classmates, silence your mobile phone and refrain from distracting behaviors in class, such as talking, texting, typing or surfing the Internet.

The majority of the students at SIU are great. However, sometimes a few students may talk among themselves throughout the lectures, making it difficult for both myself and the other students to concentrate. My policy regarding this is as follows: The first time a student is disruptive I ask them to stop talking. The second time the student is asked to leave class for rest of the day. The third time I both ask the student to leave class for the day, and ask the Dean to permanently remove the student from the class.

### **Getting in Touch with me**

**Send me an e-mail** if you have short questions or would like to schedule a meeting. **Please write FIN 361 in the subject line.** My e-mail policy:

- I will do my best to respond to e-mail by the end of the following business day. That is a goal, not a promise.
- E-mail may not be suited for explaining certain financial concepts. I'll do what I can but often I'll recommend a meeting if the topic is too cumbersome to deal with via e-mail.
- Please have reasonable expectations about my response speed before exams. If you send an e-mail after noon the day before an exam, you probably won't get a timely response.

### **Tentative Course Schedule: This schedule is subject to change**

<b>Topic</b>	<b>Description</b>	<b>Textbook Chapters</b>
1	Introduction	Chapters 1, 2
2	Choose long-term investments (capital budgeting)	Chapters 5, 6, 13
3	Choose long-term financing (capital structure)	Chapters 15, 16, 17, 30, 18
4	Payout policy	Chapters 19
5	Short-term finance (working capital management)	Chapters 26, 27, 28

**Emergency Procedures** (instructions have been provided by the University):

Southern Illinois University Carbondale is committed to providing a safe and healthy environment for study and work. Because some health and safety circumstances are beyond our control, we ask that you become familiar with the SIUC Emergency Response Plan and Building Emergency Response Team (BERT) program. Emergency response information is available on posters in buildings on campus, available on the BERT's website at [www.bert.siu.edu](http://www.bert.siu.edu), Department of Public Safety's website [www.dps.siu.edu](http://www.dps.siu.edu) (disaster drop down) and the Emergency Response Guidelines pamphlet. Know how to respond to each type of emergency.

Instructors will provide guidance and direction to students in the classroom in the event of an emergency affecting your location. **It is important that you follow these instructions and stay with your instructor during an evacuation or sheltering emergency.** The Building Emergency Response Team will provide assistance to your instructor in evacuating the building or sheltering within the facility.