

FNCE 3498: Accelerated Fundamentals of Finance
Loyola Marymount University
Spring 2015
Section 01: Tuesday & Thursday, 3:00pm-4:40pm, Room: Hilton 063

Instructor Name: Joshua D Spizman

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My Office Hours: Tuesday and Thursday: 11:00am – 12:00noon; Wednesday: 1:00pm – 4:00pm; or by appointment

Required Text(s):

Ross, Westerfield, Jaffe, and Jordan, Corporate Finance: Core Principles & Applications, McGraw-Hill, 4th ed.

Access to McGraw Hill Connect: <http://connect.mheducation.com/class/j-spizman-spring-2014>

Ben & Jerry's Homemade Case Study (by Michael J. Schill)

Available to purchase at: <http://store.darden.virginia.edu/ben-jerrys-homemade>

Course Prerequisites

ACCT 2120; ECON 105 or 110 AND 120; ECON 230; Math 112 or 131, all with a minimum grade of C (2.0)

Course Description

Part 1: This first part of the course introduces students to fundamental financial decisions made by various types of organizations. The principal objective of the course is for students to develop an understanding of the basic tools of financial analysis. The topics of valuation by discounting, long-term investment decisions, short-term financial planning, and risk and required return will be emphasized.

Part 2: This portion of the course extends the fundamentals learned in part 1 to analyze financial problems of business enterprises and investment issues related to maximizing shareholder value. Students will develop advanced skills in value maximization and managing financial risk. Real-world experience will be gained by preparing an analyst report on a public company of the students choosing.

Learning Outcomes:

This course contributes to student achievement of the following CBA core learning outcomes:

- Students will demonstrate understanding of the core concepts in finance
- Students will accurately utilize quantitative techniques to model and evaluate business decisions
- Students will demonstrate critical thinking skills by defining, modeling, analyzing and evaluating complex business problems

Upon completion of this course, students should successfully demonstrate the following finance course learning outcomes:

- Value a stream of cash flows, whether from a corporate project or a financial instrument, such as a stock or bond.
- Understand the relationship between risk and return and the benefits of diversification.
- Identify the relevant cash flows to evaluate an investment opportunity.
- Estimate a cost of capital (or required rate of return) for capital budgeting decisions.
- Identify the importance of a firm's capital structure, and analyze the effect of debt finance on the risk and required return of equity holders.
- Identify the importance of short-term finance and planning.
- Apply advanced finance theory, concepts, and techniques in the assessment of financial policy and firm performance.
- Apply basic statistical techniques to assess firm performance.

Assignments, including Readings:

Quizzes: There will be *at least* five quizzes. I will announce each quiz in a prior class (no pop quiz). Each quiz will ask one question that is *identical* to a problem from previously assigned homework. I will let you know which homework each quiz will come from. Partial credit may be awarded for incorrect answers. Your lowest quiz score will be dropped. Homework will not be collected nor graded. Answer keys to all homework assignments will be posted *after* the quiz.

Exams: There will be three exams during the semester. The third exam will be given during final exam week. All exams are closed book and closed notes; however, I will provide you with a formula sheet. Since exam dates are set in advance, if you anticipate a conflict with a religious holiday or a university officially-sanctioned activity, you should notify me at least one week in advance for a rescheduling. No other make up exams will be given. If you miss a midterm exam for other Loyola Marymount University (LMU) approved reasons, you will have to take a comprehensive final exam, and replace your missed mid-term exam grade with your final exam grade. Missing an exam for non-LMU approved reasons will result in a grade of zero for that exam.

Online Homework Problems: Via McGraw-Hill Connect and MyLMU|Connect, there will be homework assignments to be completed online. You will have unlimited attempts to complete each assignment and receive a perfect score. The problems will be dynamic, which means the numbers given are specific to you. You may work with classmates, but make sure you do your own problem.

Learnsmart: As part of McGraw-Hill Connect, each chapter will have an interactive study tool. As you read the textbook, you will be asked questions that assess your knowledge and mastery of the topic. This will also allow you to see what you will have to spend more time studying. This will be graded upon completion. All work for that chapter must be due prior to the exam covering that chapter.

Ben and Jerry's Case: There will be one case study done during the semester. You are responsible for purchasing the case (see the link above). More information will come later in the semester.

Analyst Report: There will be a final project requiring you to prepare an analyst report on a public company of your choosing. This will incorporate concepts learned throughout the semester. More information will come later in the semester.

Use of Technology:

Financial Calculator

You are not required to purchase a financial calculator. However, financial calculators do simplify many of the problems and I **strongly** recommend purchasing a financial calculator. I recommend the Hewlett Packard hp 10B II. I will teach how to use this calculator in class. No graphing calculators will be allowed (*no exceptions made*).

Class attendance: Classroom attendance is required. You are responsible for all of the material discussed in class, assigned in the readings, and assigned end-of-chapter problems. If you must miss class, please do the following:

1. Get notes from someone who attended class.
2. Review notes and work out the problems.
3. See me if you need further clarification, and only after you have completed steps 1 & 2.

Grading:

Your cumulative course score will be based on the following schedule. I do **NOT** give extra credit assignments. You are responsible for your own performance.

Schedule

Exam 1 Score	15%
Exam 2 Score	15%
Exam 3 Score	15%
Quizzes	15%
Analyst Report	15%
Online Homework Problems	10%
Ben and Jerry's Case	5%
Learnsmart – Online	5%
Best Exam	5%

100%

The required assignments will be weighted as presented above. The final course grades may be curved. In no case will a student do worse than a “straight grading scale” (>90%=A-, >80%=B-, >70%=C-, > 65% = D). Pluses and minuses for the letter grade are given based on the class curve for the final total points.

Tentative Nature of the Syllabus: If necessary, this syllabus and its contents are subject to revision; students are responsible for any changes or modifications distributed in class or posted on LMU's course management system MYLMU Connect (if you are using that technology).

Academic Honesty Policy: Academic dishonesty will be treated as an extremely serious matter, with serious consequences that can range from receiving no credit for assignments/tests to expulsion. It is never permissible to turn in any work that has been copied from another student or copied from a source (including Internet) without properly acknowledging the source. It is your responsibility to make sure that your work meets the standard of academic honesty set forth in the “LMU Honor Code and Process” which appears in the *LMU Bulletin 2014-2015* (see <http://academics.lmu.edu/media/lmuacademics/officeoftheregistrar/documents/bulletinspdf/LMU%20Bulletin%202014-2015.pdf>.)

Americans with Disabilities Act: Students with special needs as addressed by the Americans with Disabilities Act who need reasonable modifications, special assistance, or accommodations in this course should promptly direct their request to the Disability Support Services Office. Any student who currently has a documented disability (physical, learning, or psychological) needing academic accommodations should contact the Disability Services Office (Daum Hall Room 224, 310-338-4535) as early in the semester as possible. All discussions will remain confidential. Please visit <http://www.lmu.edu/dss> for additional information.

Course Policies

Communication

Course materials will be posted on MyLMU|Connect. It is the responsibility of the student to ensure that he/she has access. I plan to post notes, readings, and other necessary materials for the week no later than the Sunday night of that week. At times I will communicate with the entire class using campus email systems, so it is essential that you regularly check your lion.lmu.edu email address or forward your lion account email to your preferred email address.

LinkedIN

Students are also required to Connect with the professor on LinkedIn.com by class time on Friday, January 23, 2015. **Failure to do so will result in a loss of 5 points on your first exam.**

Electronics

Please silence all phones before class begins. There is no reason for cell phones to be out during class time. Texting, playing games, surfing the web, etc. is distracting to you and may be distracting to others around you. Please be respectful.

E-mails

All e-mails to the professor must be written in a proper, professional manner. If your e-mail message is unprofessional or contains grammatical or spelling mistakes, it will be returned to you with a request that you correct the message and resend it. Before sending an e-mail, you should read it over one time.

Classroom Observation

It is a practice in the College for faculty members to observe classes taught by other faculty. From time to time, therefore, faculty from our College or even from other colleges may attend.

TENTATIVE Course Outline

I reserve the right to change the schedule as the semester goes on.

Date	Topic	Reading in Textbook
Jan 13 (Tue)	Syllabus and Brief Course Overview	
Jan 15 (Thu)	Introduction to Corporate Finance/ Time Value of Money	Chp 1/ Chp 4
Jan 20 (Tue)	Time Value of Money	Chp 4
Jan 22 (Thu)	Time Value of Money / Interest Rates and Bond Valuation	Chp 5
Jan 27 (Tue)	Interest Rates and Bond Valuation	Chp 5
Jan 29 (Thu)	Interest Rates and Bond Valuation / Stock Valuation	Chp 5/ Chp 6
Feb 3 (Tue)	Stock Valuation	Chp 6
Feb 5 (Thu)	NPV and Other Investment Criteria	Chp 7
Feb 10 (Tue)	NPV and Other Investment Criteria	Chp 7
Feb 12 (Thu)	<i>Catch-Up Day</i>	
Feb 17 (Tue)	Exam #1	
Feb 19 (Thu)	<i>No classes - Spring Break Holidays</i>	
Feb 24 (Tue)	Making Capital Investment Decisions	Chps 2, 8, and 9
Feb 26 (Thu)	Making Capital Investment Decisions	Chps 2, 8, and 9
Mar 3 (Tue)	Making Capital Investment Decisions	Chps 2, 8, and 9
Mar 5 (Thu)	Making Capital Investment Decisions	Chps 2, 8, and 9
Mar 10 (Tue)	Cost of Capital/ Portfolio Theory	Chps 10, 11, and 12
Mar 12 (Thu)	Cost of Capital/ Portfolio Theory	Chps 10, 11, and 12
Mar 17 (Tue)	Cost of Capital/ Portfolio Theory	Chps 10, 11, and 12
Mar 19 (Thu)	Capital Structure	Chps 14 and 15
Mar 24 (Tue)	Capital Structure	Chps 14 and 15
Mar 26 (Thu)	Exam #2	
Mar 31 (Tue)	<i>No Classes – Cesar Chavez Day</i>	
Apr 2 (Thu)	<i>No Classes - Easter Holidays</i>	
Apr 7 (Tue)	Dividends/Payout Policy	Chp 16
Apr 9 (Thu)	Dividends/Payout Policy	Chp 16
Apr 14 (Tue)	Short-Term Finance & Planning	Chp 18
Apr 16 (Thu)	Short-Term Finance & Planning	Chp 18
Apr 21 (Tue)	Financial Statement Analysis	Chp 3
Apr 23 (Thu)	Financial Statement Analysis	Chp 3
Apr 28 (Tue)	<i>Catch-Up Day and</i> Ben and Jerry's Case Discussion (Mandatory Attendance)	
Apr 30 (Thu)	Course Overview	
May 5 (Tue)	Exam #3 2:00pm - 4:00pm	

Notes: Last day to add or drop a class without a grade of W is January 16.

Last day to withdraw from classes or apply for Credit/No Credit grading is March 20.