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Class meetings: Mon.: 6:00 –9:30 p.m., WH
#117

Term Dates May 23 – August 4
Office Hours: By appointment at the
Woodland Hills Campus

Course Description

Principles of Finance is a core course of the business curriculum. It is an introduction to, and an analysis of, the financial decision making process of a firm from both internal and external points of view. The concepts learned in Business 391 form the foundation for subsequent courses in International Finance, Investments, Intermediate Finance and Corporate Finance, among others.

Prerequisite: Bus 252, *Economics and Statistics* **highly** recommended.

Course Materials

Financial Calculator:

I recommend either the HP 12-C , TI BA II Plus, or TI-83

Required Text:

Author(s):	Cornett, Adair and Nofsinger
Text Title:	<i>Finance Applications & Theory</i>
Year of publication:	2015
Edition:	3rd
Publisher:	McGraw-Hill/Irwin
ISBN Number:	9780077861681

Student Learning Outcomes

Information Literacy and Computer Skills

- I recommend having a financial calculator to successfully complete the course. Many of the homework and exam problems involve arithmetic and financial calculations, and a financial calculator is necessary to solve them. **Bring the calculator to class every day.**
- All manually prepared assignments must be completed using Excel and submitted through *Connect* Homework Manager or Blackboard as appropriate. ***No hand- written assignments will be considered for a grade.***

Creative and Critical Thinking

- Excel Scenarios are an integral part of the learning tools for this class and are used to enhance the concepts introduced in the text, as well as to develop more advanced Excel Skills. The Problems involve calculations, but move beyond them to questions and problems that require a strong element of critical thinking analysis relating to the topic(s) covered. These problems are to be submitted individually, but collaboration with classmates is helpful in preparing and understanding them. These are Excel Assignments and must be prepared and presented as Excel documents. In addition, beyond demonstrating an understanding of the concepts and topics covered, these assignments are designed to utilize the full functionality of the Excel program. As such, NO CREDIT will be given for assignments not prepared using the formulas, referencing, etc. that is presented in the chapters.

Field Specific Knowledge and Experience

- Interpret financial statements. Discriminate between accounting value and book value, and accounting income and cash flows.
- Compute the valuations for investment alternatives using various techniques (algebra, financial calculators, Excel)
- Identify and organize the relevant cash flows for capital investment decisions
- Estimate the cost of capital (WACC) for a firm, and predict how WACC will change based on the form of capital used.

Evaluation

- Evaluate the tradeoff between dollars today and dollars at some point in the future.
- Evaluate various capital budgeting alternatives using Net Present Value and other Investment Criteria

Course Assessment

Grades will be awarded on the basis of academic **achievement** in the areas listed below. Completing all the assignments in a timely manner is very important for the quality of the grade achieved.

Percentage	Grade	Assessment*	Points
>93%	A	Weekly Chapter Assignments (10 @ 20 points each week)	200
90% to 92.9%	A-	Integrated Mini-Cases (5 @ 50 points each)	250
87% to 89.9%	B+	2 Midterm Exams (150 points each)	300
83% to 86.9%	B	Final Exam - Cumulative	200
80% to 82.9%	B-	Attendance	50
77% to 79.9%	C+		
73% to 76.9%	C		
70% to 72.9%	C-	TOTAL POINTS	1000
67% to 69.9%	D+	Please note, I do not "round" off the final scores at the end of the term. Thus, an 89.9 is NOT an A-.	
63% to 66.9%	D		
60% to 62.9%	D-		
<60%	F		

Absent exigent circumstances, missing exams will receive a zero.

Success in this course is directly dependent upon your mastery of the material presented. In order to master the material you should:

- ❖ Do the assigned readings before they are presented in class.
- ❖ Attend class regularly.
- ❖ Pay attention in class and ask questions.
- ❖ Take good notes in class and review them frequently.
- ❖ Complete the homework and assignments as soon as they are assigned and exploit online resources.
- ❖ You are strongly encouraged to see me if you are having problems understanding the material (despite implementing the above plan).
- ❖ It is your responsibility to notify me immediately when you are aware that exigent circumstances will impact your ability to successfully complete the requirements for the course. .

Course Format

This course follows the text closely. For each topic covered, you should read the relevant chapter in the text prior to coming to class. Each class will begin with a discussion covering the assigned topic. You are expected to do the **assigned readings**. Some topics

that are very important (i.e., NPV) are covered in great detail. In these cases, the readings serve to reinforce what is covered in class. However, time does not allow all topics to be covered in such detail. Therefore, the readings are necessary to complete homework assignments.

You are responsible for **all material covered in assigned readings**, whether or not we have time to cover it in class. Reading ahead is encouraged, as it will aid your understanding of material presented in class. Re-reading after class is also encouraged, as it will help solidify the concepts just presented. If you read information that is not covered in class, and you do not understand it, I will be happy to work it through with you during office hours.

To be sure, this course is fast-paced and demanding. A significant amount of time outside of class is required in order to master the material, both prior to class in preparation for class discussions and in the completion of the assigned work. You are responsible for reviewing the assigned material prior to class and are expected to participate in class discussions.

Homework

Mini-Case Exercises:

Assignments will be provided by the instructor and are designed to enhance your understanding of the topics being discussed in class by applying them directly to find solutions for questions that are encountered in Business. In addition, the exercises are designed to develop your skills in Excel by introducing you to some more sophisticated tools and techniques. As such, these assignments must be completed using the formulas and referencing appropriate for the problems. *NO CREDIT will be given for assignments completed by simply plugging solutions into an Excel worksheet.* Excel is a powerful tool, so let Excel do the work for you.

Each student must create and submit their own work. Sharing files is strictly prohibited and is considered a violation of the Academic Integrity Policy for this class.

Late excel assignments may be accepted only with special permission and with up to a 50% reduction in grade.

Homework Assignments/Problems

Every week, homework problems will be due on Sunday evening of the week assigned (please see syllabus for specific dates) and please submit through blackboard.

Chapter Problem Sets:

Because finance as a discipline involves calculations, these problems are assigned to help you learn by practicing the concepts and techniques of finance. The best and only way to learn the material covered in this course is to work out a

large number of problems (i.e., more than those assigned). In addition, the preparation for the exams is best served by homework problem sets. Most problems have obvious variations, which should also be practiced, because they are more likely to be found on an exam. In theory, you cannot do enough problem sets and please remember that cramming is not an effective method of learning.

End of chapter problem sets will be completed and submitted during class and counted toward class participation.

Study Groups

Because business is increasingly using “Teams” to accomplish tasks and goals, “cooperative” skills are important to master. Interpersonal dialogue enhances the learning “curve” and teaches the kind of cooperation that creates success in the market place. While this course does not include any formal group assignments, I strongly encourage forming study groups to broaden and enhance the learning experience. The more you talk about and practice finance skills and theory, the higher level of understanding and achievement you will experience. **HOWEVER, remember that working together in a study group does NOT mean sharing files.**

OUTLINE OF STUDENT LEARNING OBJECTIVES:

1. Ethical and Professional Judgment
2. Interpersonal & Teamwork Skills, Principled Leadership
3. Information Literacy and Computer Skills
4. Field-specific Knowledge and Experience
5. Planning and Organization
6. Creation of Value
7. Statistical Data Analysis
8. Understanding of Cultural and Global Diversity
9. Written Communication
10. Oral Communication and Listening Skills
11. Evaluation

DIDACTIC APPROACH:

This course rests on several components – self-study, lectures, interaction, as well as practice and application:

- Self-Study
 - Preparation in self-study by students before lecture to become familiar with new material and to stimulate thinking, and generate ideas and questions.
- Lecture
 - Presentation of topics in class by instructor using PowerPoint slides.
- Student-Instructor Interaction
 - Discussion of selected questions, finding of examples, answering of questions etc. in the weekly live-chat.
 - Asynchronous, instructor-facilitated discussion of relevant topics on discussion boards.
 - Direct interaction between student and instructor.
- Practice and Application
 - Participation in discussion boards.
 - Deepening of concepts in discussion.
 - Exams
 - Practical assignments using real world data.

ASSESSMENT:

Assessment in this course is based on multiple elements. Each form of assessment addresses different (sometimes multiple) learning outcomes and each form of assessment requires a different set of knowledge, skills and abilities:

Attendance and Participation: Attendance in this class is very important. The first class session has a mandatory attendance requirement to discuss this syllabus and the class in general. Plan to attend the first evening as there will be an explanation of the class.

Students will be required to participate in the Blackboard Discussion boards on the topics that are posted. The discussions are meant to add to the learning environment about topics that will allow you to communicate more deeply about various concepts in this class.

Following is an overview of various due dates for the different forms of assessment:	Start Date (if applicable)	Due Date	Remarks
Exam-1		6/13	Chapters: 1,2,3,4
Exam-2		7/11	Chapters : 5,6,7,8,9
Weekly Chapter			Please see class schedule.

Assignments			
Integrated Mini-Cases			Please see class schedule
Final Exam		08/04	Last Class, Cumulative Exam

Potpourri

Academic integrity. The educational programs of California Lutheran University are designed and dedicated to achieve academic excellence, honesty and integrity at every level of student life. Part of Cal Lutheran's dedication to academic excellence is our commitment to academic honesty. Students, faculty, staff and administration share the responsibility for maintaining high levels of scholarship on campus. Any behavior or act which might be defined as "deceitful" or "dishonest" will meet with appropriate disciplinary sanctions, including dismissal from the University, suspension, grade F in a course or various forms of academic probation. Policies and procedures regarding academic honesty are contained in the faculty and student handbooks.

Plagiarism, cheating, unethical computer use and facilitation of academic dishonesty are examples of behavior which will result in disciplinary sanctions. Plagiarism includes, but is not limited to:

- word for word copying without using quotation marks or presenting the work as yours
- using the ideas or work of others without acknowledgement
- not citing quoted material. Students must cite sources for any information that is not either the result of original research or common knowledge.

Disabilities. California Lutheran University is committed to providing reasonable accommodations in compliance with ADA of 1990 and Section 504 of the Rehabilitation Act of 1973 to students with documented disabilities. If you are a student requesting accommodations for this course, please contact your professor at the beginning of the semester and register with the Disability Support Services

Coordinator, Wendy Jimenez, for the facilitation and verification of need. The Disability Support Services Coordinator is located in the Center for Student Success Office at 3259 Pioneer Street, and can be contacted by calling 805.493.3878 or emailing wjimene@callutheran.edu

Attendance. Regular attendance is necessary in order to successfully complete the course and this aspect of a student's involvement in the course will be considered in awarding the grade. If you arrive late for class you will be deemed absent for the day.

If you are unable to attend class, for any reason, ***it is your responsibility to contact a member of the class for an update.*** In any given class session, there will be information important to the successful completion of the course. Arrangements may be made for make-up work resulting from absences due to travel and events for CLU related obligations or unusual work schedule conflicts. However, you must notify me prior to the class you will be missing in order to make those arrangements.

Contacting me. The primary method of communication for this course outside of the classroom will be through Blackboard and/or CLU's email system and I will attempt to respond within 24 hours of receipt. You can also reach me by mobile phone at (818) 378-8999. I will also maintain office hours at the Woodland Hills campus. I understand that driving to Woodland Hills may be problematic, therefore, I am willing to meet on the Thousand Oaks campus if needed.

Professionalism. There is an expectation of professionalism in all work submitted, and in your conduct in the classroom. Courtesy, timeliness, and respectful communication are expected at all times. Spelling and grammar are expected to be appropriate for upper division college students. Classes begin and end on time. It is very distracting to the whole class to have students arrive late, leave early, or come in and out during the class session. Please plan your schedule so you are not a source of this distraction. No hand-written assignments completed outside of class will be considered for a grade. If you need help learning the features of computer programs, there are resources available on campus. Please ask.

Electronics. Cell phones, laptops, iPads, tablets and any other forms of electronic communication may be used during class for **class related activities** (e.g. note taking, surveys, etc.) as long as they do not become a source of distraction. If you have a potential emergency situation, which may require being contacted during class, you should notify me before the class begins. In all other cases, using such devices is prohibited and may be considered academic misconduct. Any student whose cell phones rings or vibrates during an exam will receive a zero for the exam.

Re-grading. Students who disagree with a grade have one week from the time the assignment is graded to bring this matter to my attention. If you wish to have a

question re-graded, the whole assignment will be re-graded, not just the one question.

FINE PRINT

This syllabus and the accompanying Course Schedule may change from time to time to accommodate changing circumstances. Every effort will be made to alert students in a timely manner when changes occur. While the material will be covered in the order presented in the schedule, the actual timing may change from week to week.

Standards of Student Conduct Statements: following are excerpts from the CLU's student handbook, which can be found on the following link:

http://www.callutheran.edu/student_life/student_handbook/

Harassment: harassment refers to unwelcome behavior that is offensive, fails to respect the rights of others, and interferes with work, learning, living or campus environment. Forms of harassment include, but are not limited to:

- Verbal: Conduct such as suggestive comments, derogatory slurs, off-color jokes, threats, suggestive or insulting sounds, etc. Verbal harassment also entails using the telephone to harass others. This includes; but is not limited to, unwanted phone calls, hang-ups, unwanted voice messages, obscene phone calls.
- Non-Verbal/Visual: Conduct such as derogatory or inappropriate posters, pictures, cartoons, faxes, emails, text or instant messages, or drawings, suggestive objects or pictures, graphic commentaries, leering, obscene gestures.
- Physical: Conduct such as unwanted physical contact including touching, interference with an individual's normal work or movement, assault.

Sexual Harassment: any sexual advances, requests or demands for sexual favors and other physical, verbal or visual conduct of sexual nature constitute sexual harassment when:

- Such conduct has the purpose or effect of substantially interfering with an individual's work or academic performance, creating an intimidating, hostile or offensive work, learning, living or campus environment; or
- Submission to or rejection of such conduct by an individual is used as the basis for employment or academic decisions affecting the individual; or
- Submission to such conduct is made either explicitly or implicitly a term of condition of an individual's employment or academic programs.

Hate Crimes: hate crimes, defined in the California Penal Code, Section 7422.55, are defined as offenses motivated by hatred against a victim or a group of victims based on their actual or perceived race, gender, religion, sexual orientation, ethnicity, and/or disability.

- California Lutheran University is a “diverse scholarly community dedicated to excellence in the liberal arts and professional studies.” As such, the University will not tolerate any form of hate crime. Violation of any University policy that also fits within this definition may result in suspension /dismissal from the University.
- In addition, because false accusations regarding harassment, sexual harassment, or hate crimes can have serious effects on the persons accused, any false accusation will likewise result in disciplinary action up to and including the expulsion/dismissal from the University.

The student who feels subject to any of these offenses stated above should report the incident immediately, either verbally or in writing to any one of the following persons:

- **Leanne Neilson**

Provost/Vice President for Academic Affairs

Administration Building, x3145

- **Melinda Roper**

Interim Vice President for Student Affairs/Dean of Students

Student Union Building, x3553

- **Susan Tolle**

Director of Human Resources

Welcome Center Building, x3185

CLU will respect the complainant's right to confidentiality in both informal and formal procedures. The complainant will be supported and any attempted reprisals will not be tolerated.

Sexual Misconduct

California Lutheran University does not tolerate any degree of sexual misconduct on or off-campus. We encourage you to report if you know of, or have been the victim of, sexual harassment, misconduct, and/or assault. If you report this to a faculty member, she or he must notify Cal

Lutheran's Title IX Coordinator about the basic facts of the incident. More information about your options for reporting can be found at: <http://www.callutheran.edu/title-ix/>

PEARSON LIBRARY:

Pearson Library provides access to scholarly books, journals, ebooks, and databases of full text articles from scholarly journals. To begin using these materials, visit the library web page <http://www.callutheran.edu/library>

There are many ways to contact Pearson Library for research assistance, no matter where you are!

- Email Yvonne Wilber (Professionals liaison) at ywilber@callutheran.edu
- General Library email: CLUlibrary@callutheran.edu
- Library main phone: 805.493.3250
- Text us your question: 805.493.3867
- Get more help at: <http://www.callutheran.edu/library/help/>

COURSE EVALUATIONS STATEMENT: All course evaluations are now conducted online. Your feedback is important to us. You will receive an email message reminding you when the website is open for your feedback. The link is: <http://courseval.callutheran.edu>

CLU WRITING CENTER: The Writing Center provides 1:1 writing consultations, in-person and online, with trained undergraduate and graduate writing consultants. We welcome all writing-related projects at any stage of the writing process across the diverse disciplines of study at CLU. The Writing Center also hosts writing workshops, provides in-class visits, facilitates writing groups, and offers a writer's studio option for longer, sustained projects. Services suit writers of all levels, including traditional undergraduates, graduate students from all fields, all English language learners, and accomplished scholars alike. All members of the CLU community with an @callutheran.edu email address are welcome to make use of our services. For more information, please visit at www.callutheran.edu/writing_center or call 805-493-3257. Please schedule appointments online through MyCLU Blackboard with the yellow "The Writing Center" icon in "Tools," or stop by The Writing Center itself, located in the Darling Collaboration Suite of Pearson Library.

HELP DESK: Students may contact the Help Desk about telephone, network, wireless network, software questions password problems, hardware problems, and general consultation (i.e. you cannot log into your MyCLU portal, or you are having problems with Blackboard). Please click on the following link for more information http://www.callutheran.edu/iss/technology_services/helpdesk.php or call: 805.493.3698

VETERANS RESOURCES: If you are a veteran, military member, or a family member of a veteran or military member, please refer to Cal Lutheran's Veterans Resources webpage for important information: <http://www.callutheran.edu/veterans/> Also, if you are a veteran receiving benefits and you are struggling in a class, you most likely qualify for free tutoring. Please contact the Veterans Coordinator, Jenn Zimmerman, veterans@callutheran.edu or 805.493.3648, for more information.

DISCLAIMER: This syllabus may change from time to time to accommodate changing

circumstances. Every effort will be made to alert students to changes that occur in a timely manner. The class schedule is presented below. While the material will be covered in the order presented in the schedule, the actual timing may change from week to week as the course progresses.

1	5/23	1,2	Introduction, Reviewing Financial Stmts.	Problems 2-1, 2-3, page 64, due 5/29	Please Read chapters before class.
2	6/06	3	Analyzing Financial Stmts.	Problem 3-1, 3-2, page 106, due 6/12	Please read chapters before class.
3	6/13	4,5	Time Value of Money	Exam-1, Problems 4-2, 4-7, page 141, Problems 5-1, 5-7, page 179, due 6/19	Please read chapters before class.
4	6/20	6,7	Understanding Financial Mkts., Valuing Bonds	Problems 6-1, 6-2, page 224, Mini-Case #1, page 269, due 6/26	Please read chapters before class.
5	6/27	8	Valuing Stocks	Problems 8-1, 8-8 pages 300-301, due 7/3	Please read chapters before class.
6	7/11	9	Characterizing Risk and Return	Problem 9-1, page 330, Mini-Case #2, page 335, Due 7/10	Please read chapters before class.
7	7/18	10	Estimating Risk and Return	Exam-2, Problem, 10-1, 10-3, pages 364-365, due 7/17	Please read chapters before class.
8	7/25	11,12	Calculating the Cost of Capital, Estimating Cash Flows on Capital Budgeting Projects	Problem 11-1, page 397, Mini-Case #3, page 369, Problems 12-1, 12-3, page 428, Mini-Case #4, page 401, Due 7/31	Please read chapters before class.
9	8/01	13	Real Options and Other Topics	Problem 13-1, page 468, Mini-Case #5, page 431, Due 8/2	Please read chapters before class.
10	8/04 (online at home by 8/04)	14		Final Exam	Open note and book; calculators and/or laptops ok

IMPORTANT DATES:

- | | |
|---|---|
| <ul style="list-style-type: none">• Monday, May 30• Monday, June 6
• Monday, June 13• Tuesday, June 14• Monday, July 4• Wednesday, July 13
• Monday, Aug. 1• Monday, Aug. 29 | <p>Memorial Day Holiday (NO CLASS)
Last Day to Add a class for the spring semester
Last Day to drop a class without a grade of "W"
Last Day to drop a class without financial penalty
Fall/Winter term registration begins for seniors
Fall/Winter term registrations begins for ALL</p> <p>Independence Day Holiday (NO CLASS)
Last day to withdraw without academic penalty
(Responsible for 100% tuition)
Final exam
Fall 2016 classes begin</p> |
|---|---|

I LOOK FORWARD TO A GREAT SEMESTER.

WELCOME TO FINANCE!

DRAFT