MFIN 1021, Basic Finance  
Summer, 2015  3 Credits

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Office Hours:  
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Boston College Mission Statement
Strengthened by more than a century and a half of dedication to academic excellence, Boston College commits itself to the highest standards of teaching and research in undergraduate, graduate and professional programs and to the pursuit of a just society through its own accomplishments, the work of its faculty and staff, and the achievements of its graduates. It seeks both to advance its place among the nation's finest universities and to bring to the company of its distinguished peers and to contemporary society the richness of the Catholic intellectual ideal of a mutually illuminating relationship between religious faith and free intellectual inquiry.

Boston College draws inspiration for its academic societal mission from its distinctive religious tradition. As a Catholic and Jesuit university, it is rooted in a world view that encounters God in all creation and through all human activity, especially in the search for truth in every discipline, in the desire to learn, and in the call to live justly together. In this spirit, the University regards the contribution of different religious traditions and value systems as essential to the fullness of its intellectual life and to the continuous development of its distinctive intellectual heritage.

Course Description
This is a course designed to survey the areas of corporate financial management, money and capital markets, and financial institutions. Corporate finance topics include the time value of money, the cost of capital, capital budgeting, financial analysis, and working capital management. Financial markets and institutions cover the role of financial intermediaries and instruments as they function in a complex economic system.

Course Objectives
1. Gaining factual knowledge (terminology, classifications, methods, trends)
2. Learning fundamental principles, generalizations, and theories
3. Learning to apply course material (to improve thinking, problem solving, and decisions)
4. The student will demonstrate knowledge and competency across cultural settings and will learn the impact of culture, gender, and age in Finance as demonstrated by class discussion and writing
4. The student will demonstrate ethical knowledge and competency pertaining to Finance as demonstrated by class discussion and writing

Grading
Grading is based on a series of 3 exams, regular problem sets, and class discussion/participation

WCAS Grading System
The undergraduate grading system consists of twelve categories: A (4.00), A- (3.67), excellent; B+ (3.33), B (3.00), B- (2.67), good; C+ (2.33), C (2.00), C- (1.67), satisfactory; D+ (1.33), D (1.00), D- (.67), passing but unsatisfactory; F (.00), failure; I (.00), incomplete; F (.00), course dropped without notifying office; W (.00), official withdrawal from course. The graduate grading system is A (4.00), A- (3.67), Excellent; B+ (3.33), B (3.00), good; B- (2.67), C (2.00), passing but not for degree credit; F (.00), failure.

Grade Reports. All students are required to log into the web through Agora to access their semester
grades. Students must utilize their BC username and password to log on. If your username or password is not known the HELP Desk located in the Campus Technology Resource Center (CTRC) in O’Neill Library will issue a new one. The CTRC requires a valid picture ID (a BC ID, driver’s license or passport) to obtain your password.

Text (Required)
Fundamentals of Corporate Finance, electronic, with Connect, by Brealey, Myers, and Marcus (8th edition)

Text/Readings (Recommended)
It is highly recommended that students read the Wall Street Journal daily; other useful sources include the Investors Business Daily (can get a free 4 week trial online to begin) and Boston Business Journal.

Calculator: It is MANDATORY that you have a calculator available full time for this course, and to bring it to class when requested and for exams; it is suggested that you purchase a financial calculator, which will improve your performance on the exams. However, some students prefer to use a different calculator, which is acceptable so long as it is able to calculate the answer to $y^x$ such as $(1.10434)^{1.222}$. Many students in the past have bought the Sharp EL-738, Texas Instruments BA II or BA II Plus. I recommend the Hewlett-Packard (HP) 12C. The HP 17BII is good, but more sophisticated than I (or likely you) need and is quite expensive. Whichever calculator you buy, it’s your responsibility to learn how to use it.

Important Policies
http://www.bc.edu/content/bc/schools/advstudies/guide/academicinteg.html

Written Work
Graduate and undergraduate students are expected to prepare professional, polished written work. Written materials must be typed in the format required by your instructor. Strive for a thorough, yet concise style. Cite literature appropriately, using APA, MLA, CLA format per instructors decision. Develop your thoughts fully, clearly, logically and specifically. Proofread all materials to ensure the use of proper grammar, punctuation, and spelling. You are encouraged to make use of campus resources for refining writing skills as needed [http://www.bc.edu/libraries/help/tutoring.html].

Scholarship and Academic Integrity
It is expected that students will produce original work and cite references appropriately. Failure to reference properly is plagiarism. Scholastic dishonesty includes, but is not necessarily limited to, plagiarism, fabrication, facilitating academic dishonesty, cheating on examinations or assignments, and submitting the same paper or substantially similar papers to meet the requirements of more than one course without seeking permission of all instructors concerned. Scholastic misconduct may also involve, but is not necessarily limited to, acts that violate the rights of other students, such as depriving another student of course materials or interfering with another student’s work.

Request for Accommodations
If you have a disability and will be requesting accommodations for this course, please register with either Dr. Kathy Duggan (dugganka@bc.edu), Associate Director, Connors Family Learning Center (learning disabilities or AHD) or Dean Paulette Durrett, (paulette.durrett@bc.edu), Assistant Dean for students with disabilities, (all other disabilities). Advance notice and appropriate documentation are required for accommodations. For further information, you can locate the disability resources on the
web at http://www.bc.edu/content/bc/libraries/help/tutoring/specialservices.html.

Attendance
Class attendance is an important component of learning. Students are expected to attend all classes and to arrive by the beginning of and remain for the entire class period. When an occasion occurs that prevents a student from attending class, it is the student’s obligation to inform the instructor of the conflict before the class meets. The student is still expected to meet all assignment deadlines. If a student knows that he or she will be absent on a particular day, the student is responsible for seeing the instructor beforehand to obtain the assignments for that day. If a student misses a class, he or she is responsible for making up the work by obtaining a classmate’s notes and handouts and turning in any assignments due. Furthermore, many instructors give points for participation in class. If you miss class, you cannot make up participation points associated with that class. Types of absences that are not typically excused include weddings, showers, vacations, birthday parties, graduations, etc. Additional assignments, penalties and correctives are at the discretion of the instructor. If circumstances necessitate excessive absence from class, the student should consider withdrawing from the class. In all cases, students are expected to accept the decision of the instructor regarding attendance policies specific to the class.

Consistent with our commitment of creating an academic community that is respectful of and welcoming to persons of differing backgrounds, we believe that every reasonable effort should be made to allow members of the university community to observe their religious holidays without jeopardizing the fulfillment of their academic obligations. It is the responsibility of students to review course syllabi as soon as they are distributed and to consult the faculty member promptly regarding any possible conflicts with observed religious holidays. If asked, the student should provide accurate information about the obligations entailed in the observance of that particular holiday. However, it is the responsibility of the student to complete any and all class requirements for days that are missed due to conflicts due to religious holidays.

There may be circumstances that necessitate a departure from this policy. Feel free to contact the WCAS at 617-552-3900 for consultation.

Deadlines
Assignments are due at the beginning of the class period on the specified dates. Late assignments will be graded accordingly.

There are no makeup exams for exams missed- for excused absences the final exam will carry the additional weight of the missed exam.

Course Assignments (readings, exercises and/or experiences)
It is expected that 18 hours per week of your study time out will be spent on out of class assignments and exercises. These are listed below. Please note that some weeks will require more time and some weeks less time but the average is approximately 18 hours per week over the semester.

Homework: Readings and problems will be assigned regularly through Canvas and Connect, as well as in class. It is imperative that you practice your finance problem-solving skills by doing all assigned problems at a minimum. Failure to do so often leads to failure on exams. I suggest a number of textbook problems at the end of this syllabus. Working through class examples on your own, including those in the course packet would also be useful.
**Topic**

Introduction, Net Income versus Cash Flow  Readings: Chapters 1,2

Sources and Uses of Funds, Statement of Cash Flows  Reading: Chapter 3

Ratio Analysis, Financial Planning  Readings: Chapters 4 & 18

The Time Value of Money  Reading: Chapter 5

**Midterm Exam 1**

Security Valuation - Bonds  Reading: Chapter 6

Security Valuation - Stocks  Reading: Chapter 7

Capital Budgeting  Readings: Chapters 8 & 9

Risk and Return  Reading: Chapters 11 & 12

**Midterm Exam 2**

The Cost of Capital  Reading: Chapter 13

The Efficient Market Hypothesis, Capital Structure  Readings: Chapters 7 (review Section 7.6 and following) and 16

Working Capital Management  Readings: Chapters 19 – 20

International Finance  Reading: Chapter 22

**Final Exam**