BOSTON COLLEGE
WOODS COLLEGE OF ADVANCING STUDIES

MF 02101: BASIC FINANCE
3 Credits   Summer 2013

Instructor: Vincent R. Starck, CFA     Email: vrstarck@yahoo.com
Office Hours: Mondays and Wednesdays, 9:15 to 10 PM  Telephone: 617-664-7650
Schedule: Mondays & Wednesdays, 6:15 to 9:15 PM
Room: Devlin 218

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
Prerequisite: Financial Accounting or equivalent.
Introduces financial markets and how they work or crash (as in 2008). Examines how corporations raise capital in the financial markets and decide upon its deployment in the enterprise. Topics treated extensively include the time value of money, valuing bonds, valuing stocks, risk/return/risk management, capital budgeting, financial analysis of corporations, working capital management, and international financial management.

The course introduces students to the vocabulary and concepts of finance. The focus will be on investing and financing decisions which financial managers have to make in the corporate world.

Students will gain a basic understanding of the important issues faced by corporate managers and the tools they use to make financial decisions. For finance majors, this course will serve as a foundation for more in depth studies of this important topic in future finance classes.

Course Objectives
1. Students will gain factual knowledge (terminology, classifications, methods, trends) of financial concepts.

2. Students will learn fundamental principles, generalizations and theories which will provide an essential foundation to develop a better understanding of the complex financial decisions which (i) they may have to make themselves in their work environment or (ii) may influence their decisions in the future.

3. Students will learn to analyze and critically evaluate financial information provided in financial publications or other public and private sources.
**Grading**
The following input will be used in assessing each student’s letter grade for the course:
- Participation in class discussions (10 points),
- Mid-term Exam (35 points),
- Graded Homework (20 points),
- Final Exam (35 points.)

**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(s)/Readings (Required)**
Brealey, Meyers, Marcus

**Calculator**
A financial calculator is required for the course. The calculator needs to have the NPV and IRR functions. The following calculators are affordable, discussed in the text and thus recommended:
- Hewlett Packard – 10B
- Sharp EL733A
- Texas Instruments BA II+(PLUS)

It is also possible to use other and more expensive calculators with the NPV and IRR functions, such as:
- Hewlett Packard – 12C
- Texas Instruments 83 or 84

**Text(s)/Readings (Recommended)**
Wall Street Journal

**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. 
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
Graded assignments are due at the beginning of the class period on the specified dates. Graded late assignments will not be accepted.
**Course Assignments** (readings, exercises and/or experiences)
We will meet for 3 hours twice a week. In addition to instructor led time, students will be expected to complete out-of-class work (text reading, Wall Street Journal and homework assignments.)

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<th>Week</th>
<th>Date</th>
<th>Topic</th>
<th>Readings</th>
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<td>6/24</td>
<td>Goals and Governance of the Corporation</td>
<td>Ch. 1</td>
<td>Learn to use calculator</td>
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<td>Financial Markets and Institutions</td>
<td>Ch. 2</td>
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<td>6/26</td>
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<td>Measuring Corporate Performance</td>
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<td>The Time Value of Money</td>
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<td>Valuing Bonds</td>
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<td>Valuing Stocks</td>
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<td>MID-TERM EXAMINATION</td>
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<td>Net Present Value and Other Investment Criteria</td>
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<td>Using Discounted Cash-Flow Analysis to Make Investment Decisions</td>
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<td>Introduction to Risk, Return and the Opportunity Cost of Capital</td>
<td>Ch. 11</td>
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<td>Weighted-Average Cost of Capital and Company Valuation</td>
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<td>Introduction to Corporate Financing</td>
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<td>How Corporations Raise Venture Capital and Issue Securities</td>
<td>Ch. 15</td>
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<td>Long-Term Financial Planning</td>
<td>Ch. 18</td>
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<td>Short-Term Financial Planning</td>
<td>Ch. 19</td>
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<td>International Financial Management</td>
<td>Ch. 22</td>
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<td>Options</td>
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<td>Risk Management</td>
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