

RUTGERS UNIVERSITY
School of Business - Camden

INTRODUCTION TO FINANCE AND INVESTMENT – SPRING 2018

52:390:101:01:19425

Mon. & Wed. 9:35 A.M. – 10:55 A.M.

BSB 106

Professor: Mr. Ralph Giraud, MS
Phone: (609) 381-5618
E-mail: ralph.giraud@rutgers.edu

Office: BSB 411
Office Hours: by appointment via scheduling through EMAIL

COURSE DESCRIPTION:

Financial statements; time value of money and discounted cash flow valuation; bond and stock valuation; capital budgeting; and risk and return will be just some of the topics addressed in this course.

COURSE OBJECTIVES:

Lectures will provide an introduction to corporate financial management, so students can understand how decisions are eventually made concerning whether or not to invest in prospective business ventures. If the analyses in theory suggest opportunities for future profitable business investments, financial decision makers must evaluate how to fund these investments, which may involve raising capital through issuing stocks and/or bonds.

STUDENT LEARNING OBJECTIVES:

This course will cover four important topics in finance. Listed below are basic learning objectives for each Topic:

- 1. Time Value of Money:** The time value of money concepts form the basic building blocks for financial decision making. You should be able to compute present and future values of single and multiple cash flows, know the differences in how interest rates are computed and quoted, and be able to amortize loans.
- 2. Valuation:** You should know the different features of two major types of financial securities: fixed income securities (bonds) and equity securities (stocks). You should also be able to value both bonds and stocks. While stock valuation can be complicated, you should understand how stock values are determined.
- 3. Risk and Return:** Virtually all investments that are made by either businesses or individuals are risky, in the sense that the future benefits from these investments are uncertain. You should know how to measure risk, and how returns from investments are related to risk.
- 4. Capital Budgeting:** Capital budgeting is the process by which firms decide what long-term investments to make. You should be able to compute cash flows from these investments and know how to make financially sound investment decisions in these assets.

REQUIRED TEXTS:

Textbook (required): Marcia Cornett, Troy Adair and John Nofsinger, **M: Finance, 3rd Edition**, 2016, McGraw-Hill Irwin.

Connect: McGraw-Hill's Connect is a web-based assignment and assessment solution **required** for this course.

<https://connect.mheducation.com/class/r-giraud-mw-930-am---1050-am>

If you have any issues while registering or using Connect, please contact McGraw-Hill's Customer Experience team through <http://www.mhhe.com/support> or at 800-331-5094. To avoid problems related to unexpected technical issues, you are advised not to wait until the last moment to complete assignments. Please review your "Connect Student Quick Tips" document for further support.

Calculators and laptops: A financial calculator is a great tool that will facilitate your computations, which is relatively inexpensive compared to the cost of a laptop. However, **use of a laptop is strongly recommended**. If you choose to use a financial calculator, suggestions may include the Hewlett Packard HP 10BII or Texas Instruments BAI Plus. I will not bear any responsibility of teaching you how to use it.

TEACHING METHODS:

Lectures, class discussions, and exams/assigned work will be based mainly on material from course textbooks, supplemented by use of appropriate websites and other resources. It is your responsibility as a student to fulfill all individual AND group course requirements through thorough preparation for each class. This responsibility includes reviewing topics IN ADVANCE of scheduled classes. Additional responsibilities include perfect, timely attendance (in accordance with university policies), active participation, and completion and timely submission of assignments. Ask the professor for help immediately when necessary.

SYLLABUS UPDATES AND OTHER COURSE COMMUNICATION:

All changes and announcements will be made in class at least once, and/or through the Announcements section of the SAKAI site for this course. If you anticipate being absent from class, find a classmate who can pick up handouts etc. for you, as you are responsible for keeping up with this course. Handouts will be brought to class only once, and may not be available in hard copy thereafter. I reserve the right as the Course Instructor to make changes to stated syllabus information at any time. If you do not use your **rutgers.edu** email domain for your primary email address, please insure that you forward messages to whatever email address you use. It is YOUR responsibility to "remain current" with course developments. Please check the SAKAI course web site on a daily basis.

COURSE REQUIREMENTS (Grade Weight):

1. EXAMS: There will be four Exams:

- Exam #1 covering Chapters 1 – 3 (15%),
- Exam #2 covering Chapters 4 – 5 (20%),
- Exam #3 covering Chapters 6 – 8 (20%), and
- Exam #4 covering Chapters 9 – 12, and Chapter 14 (25%).

Material for these exams will be based on financial applications and processes reviewed and employed during course lectures and homework assignments.

Exam Make-up Policy: The Course Outline does NOT allow any regularly scheduled class dates for “Make – up Exams.” If for some legitimate “university approved” reason you are not able to take a scheduled exam, you must immediately submit valid proof concerning the reason for your absence (e.g.: doctor’s note, an obituary, university approved excuse related to participation in university athletic event, military orders). Written notice regarding this absence must be provided at least one week in advance, so other options can be evaluated. Make-up exams for non-university approved reasons are NOT guaranteed.

2. **“TAKE-HOME” ASSIGNMENTS (10%):** Take-home assignments will be given over the course of the semester through McGraw Hill Connect. Late submissions will not be accepted.
3. **CLASS PARTICIPATION (10%):** Punctual attendance for complete, regularly scheduled class sessions is MANDATORY, in accordance with university policy (50%). True class participation involves attentiveness, active “engagement” with course material, and contributing to class discussions (50%). Your questions and comments concerning course topics should be focused and relevant. Do not hesitate to ask any and all questions as may be necessary.
4. **OPTIONAL BONUS OPPORTUNITY (10%):** Those students who successfully complete the Bloomberg Market Concepts Training (BMC) Program with an exam score of 70 or above on each of the four BMC exams (Economic Indicators, Currencies, Fixed Income and Equities) and email their Acknowledgement of Completion Certificates to me at : ralph.giraud@rutgers.edu and also to : Bloomberg.Certificates@camden.rutgers.edu, will be awarded ten (10) points (i.e.: 10%) which will be added to the calculation of their final grade.

ACADEMIC INTEGRITY

Policy found at <http://academicintegrity.rutgers.edu/academic-integrity-at-rutgers>

“Academic integrity requires that all academic work be wholly the product of an identified individual or individuals. Joint efforts are only legitimate when the assistance of others is explicitly acknowledged...The principles of academic integrity entail simple standards of honesty and truth. Each member of the university has a responsibility to uphold the standards of the community and to take action when others violate them...Students are responsible for knowing what the standards are and for adhering to them. Students should also bring any violations of which they are aware to the attention of their instructors.”¹

Students are expected to know, understand and adhere to the policies on academic integrity outlined above.

Principles of academic integrity require that every Rutgers University student:

- properly acknowledge and cite all use of the ideas, results, or words of others
- properly acknowledge all contributors to a given piece of work
- make sure that all work submitted as his or her own in a course or other academic activity is produced without the aid of unsanctioned materials or unsanctioned collaboration
- obtain all data or results by ethical means and report them accurately without suppressing any results inconsistent with his or her interpretation or conclusions

¹ Rutgers University Code of Academic Conduct, taken from the Student Advising Handbook - <http://camden-sbc.rutgers.edu/CurrentStudents/students/advising.pdf>.

- treat all other students in an ethical manner, respecting their integrity and right to pursue their educational goals without interference. This requires that a student neither facilitate academic dishonesty by others nor obstruct their academic progress
- uphold the canons of the ethical or professional code of the profession for which he or she is preparing. Adherence to these principles is necessary in order to insure that:
 - everyone is given proper credit for his or her ideas, words, results, and other scholarly accomplishments
 - all student work is fairly evaluated and no student has an inappropriate advantage over others
 - the academic and ethical development of all students is fostered
 - the reputation of the University for integrity in its teaching, research, and scholarship is maintained and enhanced.

Failure to uphold these principles of academic integrity threatens both the reputation of the University and the value of the degrees awarded to its students. Every member of the University community therefore bears a responsibility for ensuring that the highest standards of academic integrity are upheld. Violations are taken seriously and will be handled according to University policy.

Student Code of Conduct

Violations of the Student Code of Conduct are considered serious infractions of student behavior and subject to penalties relative to the level of the matter. Students may not disturb normal classroom procedures by distracting or disruptive behavior. Examples of disruptive behavior include, but are not limited to, the following:

- Repeatedly leaving and entering the classroom without authorization
 - Answering cellular phone or allowing pager to beep
 - Making loud or distracting noises
 - Repeatedly speaking without being recognized, interrupting the instructor or other students, or otherwise acting in disregard of the instructor's requests
 - Resorting to physical threats or violence directed toward the instructor or other students.*
- *Physical threats or violence are a violation of the University's Code of Student Conduct and incidents should be referred to the Dean of Students immediately.

Violations of the code should be reported to the Dean of Students office deanofstudents@camden.rutgers.edu, or 856-225-6050.

If the violation is immediate and a potential threat is a concern, call the Rutgers-Camden police at 856-225-6111.

Please consult "Standards of Classroom Behavior," in The University Code of Student Conduct

<http://studentconduct.rutgers.edu/files/documents/UCSCJuly2011.pdf>

and the University's "Policy against Verbal Assault, Defamation and Harassment"

<http://studentconduct.rutgers.edu/files/documents/PolicyAgainstVerbalAssault.pdf> for further information

ADMINISTRATIVE DETAILS:

- **Cell Phones and Lap-Tops:** Students are required to *turn off* their phones, and laptops are allowed on-ly for course work in class. Please inform me BEFORE CLASS if you are expecting an emergency call and must leave your phone turned on.
- Students should come to class on time. They should **stay** in class throughout the class period.

GRADING:

For the assignment of final grades, the course requirements will be weighted approximately as follows:

Exam # 1	15%
Exam # 2	20%
Exam # 3	20%
Exam # 4	25%
Assignments	10%
Class Participation	10%
Optional Bonus	10% (Bloomberg Certification)

90-100%...A
85-89%....B+
80-84%....B
75-79%....C+
70-74%....C
60-69%.....D
Less than 60%....F

Disability Services

Rutgers University welcomes students with disabilities into all of the University's educational programs. In order to receive consideration for reasonable accommodations, a student with a disability must contact the appropriate disability services office at the campus where you are officially enrolled, participate in an intake interview, and provide documentation:

<https://ods.rutgers.edu/students/documentation-guidelines>.

If the documentation supports your request for reasonable accommodations, your campus's disability services office will provide you with a Letter of Accommodations. Please share this letter with your instructors and discuss the accommodations with them as early in your courses as possible. To begin this process, please complete the Registration form on the Office of Disability Services web site at:

<https://ods.rutgers.edu/students/registration-form>.

Ajeenah Nuriddin-Little

(856) 225-2722

Rutgers-Camden Disability Services:

Rutgers-Camden Learning Center

Armitage Hall, Room 240

311 North Fifth Street, Camden, NJ 08102-1405

Web page: <https://learn.camden.rutgers.edu/disability-services>

E-mail: Ajeenah.nuriddin-little@camden.rutgers.edu

Important Administrative Dates

Tuesday, January 16, 2018 – First day of Spring 2018 semester

Tuesday, January 23, 2018– Last day to drop a class without a “W” (this can be done through WebReg)

Monday, April 2, 2017 – Last day to withdraw from one or all classes with a “W” (Deadline 5:00 P.M.). (This can be done through WebReg). For more information, see the registrar’s website <http://registrar.camden.rutgers.edu/>

Saturday, March 10 – Sunday, March 18, 2018 – Spring Recess

Monday, April 30, 2018 – Last day of Regular Classes

Thursday, May 3 – Wednesday, May 9, 2018 - Final Exam Period

COURSE OUTLINE: TOPICS / EXAMS (subject to change)

Class 1: 1/17/2018
Course Introduction

Class 2: 1/22/2018
CHAPTER 1 - Introduction to Financial Management

Class 3: 1/24/2018
CHAPTER 1 - Introduction to Financial Management

Class 4: 1/29/2018
CHAPTER 2 - Reviewing Financial Statements

Class 5: 1/31/2018
CHAPTER 2 - Reviewing Financial Statements

Class 6: 2/5/2018
CHAPTER 3 – Analyzing Financial Statements

Class 7: 2/7/2018
CHAPTER 3 – Analyzing Financial Statements

Class 8 : 2/12/2018
EXAM # 1 prep.: CHAPTERS 1 – 3

Class 9: 2/14/2018
EXAM # 1: CHAPTERS 1 – 3

Class 10: 2/19/2018
CHAPTER 4 – Time Value of Money 1: Analyzing Single Cash Flows

Class 11: 2/21/2018
CHAPTER 4 – Time Value of Money 1: Analyzing Single Cash Flows

Class 12: 2/26/2018
CHAPTER 5: Time Value of Money 2: Analyzing Annuity Cash Flows

Class 13: 2/28/2018
CHAPTER 5: Time Value of Money 2: Analyzing Annuity Cash Flows

Class 14: 3/5/2018
EXAM # 2 prep.: CHAPTERS 4 - 5

Class 15: 3/7/2018
EXAM # 2: CHAPTERS 4 – 5

Class 16: 3/19/2018
CHAPTER 6 – Understanding Financial Markets and Institutions

Class 17: 3/21/2018
CHAPTER 7 – Valuing Bonds

Class 18: 3/26/2018
CHAPTER 7 – Valuing Bonds

Class 19: 3/28/2018
CHAPTER 8 – Valuing Stocks

Class 20: 4/2/2018
CHAPTER 8 – Valuing Stocks

Class 21: 4/4/2018
EXAM # 3 prep.: CHAPTERS 6 – 8

Class 22 : 4/9/2018
EXAM # 3: CHAPTERS 6 – 8

Class 23: 4/11/2018
CHAPTER 9 – Characterizing Risk and Return

Class 24: 4/16/2018
CHAPTER 9 – Characterizing Risk and Return

Class 25: 4/18/2018
CHAPTER 10 - Estimating Risk and Return
CHAPTER 11 – Calculating the Cost of Capital

Class 26: 4/23/2018
CHAPTER 12 - Estimating Cash Flows on Capital Budgeting Projects

Class 27: 4/25/2018
CHAPTER 14 – Working Capital Management and Policies

Class 28: 4/30/2018
Exam # 4 prep. – CHAPTERS 9 – 12, 14

Class 29: 5/7/2018 (estimated Final Exam date)

Exam # 4 – CHAPTERS 9 – 12, 14