

RUTGERS UNIVERSITY  
School of Business - Camden

**PRINCIPLES OF FINANCE – Spring 2023**

52:390:301:01:16855

Mondays and Wednesdays 9:35 A.M. - 10:55 A.M.

BSB 106

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Office Hours: by appointment via scheduling through EMAIL

**COURSE SPECIFICS**

**COURSE DESCRIPTION:**

Financial statements and ratio analysis; time value of money and discounted cash flow valuation; bond and stock valuation; capital budgeting; and risk and return.

**Prerequisites:** 52:010:101 and (50:640:113 or 50:640:115) and (50:960:183 or 50:960:283).

**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 fairly 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, how to diversify risk by forming portfolios, 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):** Stephen A. Ross, Randolph W. Westerfield and Bradford D. Jordan, **Fundamentals of Corporate Finance, 13th Edition**, 2022, McGraw-Hill Irwin.

ISBN13: 9781265045739

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

<https://connect.mheducation.com/class/r-giraud-mondays--wednesdays-935-am---1055-am-1>

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.

### **COMMUNICATION REQUIREMENTS:**

#### **Canvas**

Our course syllabus, some Word documents, Excel files, Power Point slides, website links, details about Finance and Economics events, and other course information will all be posted through the Canvas LMS (Learning Management System). To access this system, go to <http://canvas.Rutgers.edu>, log in, click on the course tab, then click on the website link "2023SP - PRINCIPLES OF FINANCE 52:390:301:01."

#### **Rutgers email - USE YOUR RUTGERS EMAIL ADDRESS**

All communications to students will be done using the Rutgers email address provided to you. Please forward your Rutgers email to your personal email if necessary. Not checking your Rutgers email is not an excuse for missing any communications.

### **SYLLABUS UPDATES AND OTHER COURSE COMMUNICATION:**

All changes and announcements will be made in class at least once, and/or through the Canvas course website 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 make sure that you forward messages to whatever email address you use. It is YOUR responsibility to “remain current” with course developments. Please check the Canvas course web site on a daily basis.

### **Professor Communication:**

I will try reply to all emails within 48 hours. Please do not expect an immediate response. If I do not reply to you within 48 hours, please send me another email, in the event that I may be experiencing technological problems. Although I check my emails a few times daily, I may not be able to completely answer all emails immediately upon receiving them. Note that I may also be traveling out of town on some weekends and may not be able respond to weekend emails until Monday.

### **GENERAL /ADMINISTRATIVE**

#### **Key Spring 2023 Dates:**

Spring 2023 classes begin	Tuesday, January 17th
Last day to drop classes w/o “W”	Thursday, January 26 <sup>th</sup>
Last day to add classes	Thursday, January 26 <sup>th</sup>
Spring break	Saturday, March 11 <sup>th</sup> – Sunday March 19th
Last day to withdraw with “W”	Monday, April 3rd
Regular classes end	Monday, May 1st
Reading days (no testing)	Tuesday May 2nd and Wednesday May 3rd
Final exam period	Thursday, May 4 <sup>th</sup> – Wednesday, May 10th

### **ACADEMIC INTEGRITY**

The Academic Integrity policy can be found at <http://studentconduct.rutgers.edu/student-conduct-processes/academic-integrity/>.

*Students are responsible for understanding the principles of academic integrity and abiding by them in all aspects of their work at the University.* Students are also encouraged to help educate fellow students about academic integrity and to bring all alleged violations of academic integrity they encounter to the attention of the appropriate authorities.

Academic Integrity means that you (the student) must:

- 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 your own in a course activity is your own and not from someone else
- obtain all data or results by ethical means and report them accurately
- treat all other students fairly with no encouragement of academic dishonesty

Adherence to these principles is necessary in order to ensure 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 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.

## **CODE OF STUDENT CONDUCT**

The University's Student Code of Conduct can be found at <http://studentconduct.rutgers.edu/university-code-of-student-conduct>

Violations of the Student Code of Conduct are considered serious infractions of student behavior and students who violate the code are subject to penalties relative to the level of the matter. In general, 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
- Threats or violence

Violations of the Student Code of Conduct should be reported to the Dean of Students office [deanofstudents@camden.rutgers.edu](mailto: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

## **DISABILITY SERVICES/ACCOMMODATIONS**

The University is committed to supporting the learning of all students and faculty will provide accommodations as indicated in a Letter of Accommodation issued by the Office of Disability Services (ODS). If you have already registered with ODS and have your letter of accommodations, please share this with me early in the course. If you have or think you have a disability (learning, sensory, physical, chronic health, mental health or attentional), please contact <https://success.camden.rutgers.edu/disability-services>.

Accommodations will be provided only for students with a letter of accommodation from ODS. Their services are free and confidential. Letters only provide information about the accommodation, not about the disability or diagnosis.

## **CLASSROOM POLICIES**

### **Exam Make-up Policy/Late Policy**

If, for a university approved reason, you cannot take an exam at the scheduled time you must give the professor written notice at least one week in advance so that other arrangements can be made. If the situation does not allow for advance notification (for example, emergency hospitalization), contact the professor as soon as possible after a missed exam. Make-up exams for non-university approved reasons are not guaranteed. The professor reserves the right to request written documentation to support your absence (such as a doctor's note, an

obituary, or military orders).

### **CLASS PARTICIPATION:**

It is expected that you will (1) attend class regularly and arrive on time, (2) listen attentively in class, and (3) contribute often to class discussions. Your in-class comments should be thoughtful and should reflect your careful reading of the assigned course material.

Participation and Late Work: lack of participation will be reflected in the final grade. All assignments must be handed in on time; late work will receive reduced or no credit.

Incompletes and Problems: If you find that you are having trouble completing course work or need further explanation of class topics, please schedule an appointment with me immediately. If you need this class for graduation, you should be sure that your performance is up to standard throughout the course. It is too late to wait until the last week of classes to ask for help. I'm available to meet throughout the entire semester if you need help. "Incompletes" will only be given through prior consultation, under extreme circumstances.

### **ADMINISTRATIVE DETAILS:**

- **Cell Phones and Lap-Tops:** Students are required to *turn off* their phones, and laptops are allowed on-ly for coursework 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.

### **COURSE REQUIREMENTS (Grade Weight):**

1. **EXAMS:** There will be four (4) Exams, Exam # 1 covering Chapters 1 – 3, (15%), Exam # 2 covering Chapters 5 – 7 (20%), Exam # 3 (20%) covering Chapters 8 – 10, and Exam #4 (25%) covering Chapters 11, 13 – 14. Material for these exams will be based on financial applications and processes reviewed and employed during course lectures and homework assignments.
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. Please read **CLASS PARTICIPATION** section of **CLASSROOM POLICIES** for further details!
4. **OPTIONAL BONUS OPPORTUNITY (10%):** Those students who successfully pass (at 70%) the first four Bloomberg Market Concepts Exams (“Core Concepts”), email their exam scores to me, and email their Acknowledgement of Completion Certificate to me at [ralph.giraud@rutgers.edu](mailto:ralph.giraud@rutgers.edu), and to [Bloomberg.Certificates@camden.rutgers.edu](mailto: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.

**To increase your chances of earning up to an additional 10 percent (10%) credit towards the calculation of your final grade, it is strongly suggested that you attend Bloomberg Market Concepts Training lectures. Visit <http://fmlab.camden.rutgers.edu/> for further information.**

**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 - FINAL	25%
Assignments	10%
Class Participation	10%
Optional Bonus	10% (Bloomberg Market Concepts Certification)

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

**COURSE OUTLINE: TOPICS / EXAMS (subject to change)**

Class 1: 1/18/2023

Course Introduction

CHAPTER 1 - Introduction to Corporate Finance

Class 2: 1/23/2023

CHAPTER 1 - Introduction to Corporate Finance

Class 3: 1/25/2023

CHAPTER 2 - Financial Statements, Taxes, and Cash Flow

Class 4: 1/30/2023

CHAPTER 2 - Financial Statements, Taxes, and Cash Flow

Class 5: 2/01/2023

CHAPTER 3 - Working with Financial Statements

Class 6: 2/06/2023

CHAPTER 3 - Working with Financial Statements

Class 7: 2/08/2023

EXAM # 1 prep.: CHAPTERS 1 – 3

Class 8: 2/13/2023

EXAM # 1: CHAPTERS 1 – 3

Class 9: 2/15/2023

CHAPTER 5 - Introduction to Valuation: The Time Value of Money

Class 10: 2/20/2023

CHAPTER 5 - Introduction to Valuation: The Time Value of Money

Class 11: 02/22/2023

CHAPTER 6 - Discounted Cash Flow Valuation

Class 12: 02/27/2023

CHAPTER 6 - Discounted Cash Flow Valuation

Class 13: 03/01/2023

CHAPTER 7 - Interest Rates and Bond Valuation

Class 14: 03/06/2023

CHAPTER 7 - Interest Rates and Bond Valuation

Class 15: 03/08/2023

EXAM # 2 prep.: CHAPTERS 5 –7

Class 16: 03/20/2023

EXAM # 2: CHAPTERS 5 –7

Class 17: 03/22/2023

CHAPTER 8 - Stock Valuation

Class 18: 03/27/2023

CHAPTER 9 - Net Present Value and Other Investment Criteria

Class 19: 03/29/2023

CHAPTER 9 - Net Present Value and Other Investment Criteria

Class 20: 04/03/2023

CHAPTER 10 - Making Capital Investment Decisions

Class 21: 04/05/2023

EXAM # 3 prep.: CHAPTERS 8 – 10

Class 22: 04/10/2023

EXAM # 3: CHAPTERS 8 – 10

Class 23: 04/12/2023

CHAPTER 11 - Project Analysis and Evaluation

Class 24: 04/17/2023

CHAPTER 13: Return, Risk, and the Security Market Line

Class 25: 04/19/2023

2<sup>nd</sup> Annual RUCARES (Rutgers University-Camden Real Estate Symposium) event (8:00 A.M. – 2:00 P.M.)

Class 26: 04/24/2023

CHAPTER 13: Return, Risk, and the Security Market Line

CHAPTER 14: Cost of Capital

Class 27: 04/26/2023

CHAPTER 14: Cost of Capital

Class 28: 05/01/2023

EXAM # 4 prep.: CHAPTERS 11, 13 - 14

Class 29: 05/10/2023

EXAM # 4: CHAPTERS 11, 13 - 14 **(8:00 A.M. – 11:00 A.M.)**