

Syllabus
Principles of Finance – Finc 311
Spring 2007
Department of Finance
University of Delaware

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Objectives

This course introduces the fundamental techniques and concepts related to the financial management of business firms, emphasizing valuation and current issues. By the end of this course you should be beyond just memorizing facts and formulae and be able to use financial analysis to make sound financial decisions and be able to better understand current events in finance. Hopefully, by the end of the semester you will want to take additional classes in finance!

Course Materials

Required Course Materials

- *Essentials of Corporate Finance, 5/e with Ready Notes* by Ross, Westerfield and Jordan
- *Excel Applications for Corporate Finance*, by Adair
- *Essentials of Corporate Finance* Student Problem Manual
- A financial calculator such as TI BA II Plus; Sharp EL-733; HP 10B; or HP 12C. A financial calculator is a necessity in this course. Make sure that your calculator has bond valuation, net present value (NPV), internal rate of return (IRR), and cash flow functions. I recommend the TI BA II Plus. I will use it to for all problems done in class.
- Class Notes
 - Outlines of the class notes for each chapter are contained in *Ready Notes* that accompanies your text. The class notes are also posted on WebCT in pdf form.
 - You are expected to have the class notes outline for the appropriate chapter with you in class. It will be very difficult for you to keep up with note taking during class if you do not have outline of the notes with you.
 - The prepared outlines are not a substitute for attending class. These are only outlines and do not contain or explain all of the content from the lectures.

End of Chapter Solutions

- The solutions to the problems at the end of the chapters are posted on WebCT.
- Excel spreadsheet solutions and written solutions are contained in separate files.

Announcements and Handouts

- All handouts are available via WebCT (<https://www.udel.edu/mycourses/>).
- Announcements about the course will be made by e-mail and posted on WebCT.
- **Please pay close attention to e-mail messages sent regarding the course.**

Office Hours

By appointment. You are encouraged to visit me in my office. You may make an appointment or just drop by (in the last case I may not always be available). I check email several times a day, and can usually respond to email questions quickly. Also, I will set up times that I am available on the WebCT discussion forum (<https://www.udel.edu/mycourses/>) to respond to questions.

Pre-Requisites

A grade of C- or better in ACCT207 is required.

Academic Honesty

Academic honesty is expected at all times. Please see the Academic Honesty Policy for this course (available on WebCT) and the [Student Guide to University Policies: Code of Student Conduct](#). The Code of Conduct also extends to the use of clickers. Students suspected of misusing, transferring, or sharing a clicker to engage in academic dishonesty will be referred to the Office of Judicial Affairs for adjudication.

Special Accommodations

Students with either learning and/or physical disabilities are entitled to special consideration according to university policy. To qualify for this consideration, the instructor must be given official notification of the disability from the appropriate university unit **prior to a scheduled quiz or exam. There will be no exceptions.**

Course Grade Scale

$91 \leq A$	$78 \leq B- < 81$	$64 \leq D+ < 68$
$88 \leq A- < 91$	$74 \leq C+ < 78$	$61 \leq D < 64$
$84 \leq B+ < 88$	$71 \leq C < 74$	$58 \leq D- < 61$
$81 \leq B < 84$	$68 \leq C- < 71$	$F < 58$

Requests for Score Changes

If you feel that an exam, quiz or assignment deserves a higher score, you may make a written request within one week after the exam has been returned in class. The written request must be made on a separate sheet of paper and the assignment or exam must be attached. If you are still not satisfied, you may make an appointment with the instructor to discuss the matter.

Important Dates

Assignment 1	Due Friday, August 31, 2007	These dates are firm. Because you know these dates from the beginning of the semester you can plan your schedule around these dates. Take these dates into consideration when making plans throughout the semester.
Assignment 2	Due Friday, September 14, 2007	
Quiz 1	Thursday, September 20, 2007	
Exam 1	Tuesday, October 02, 2007	
Assignment 3	Due Friday, October 12, 2007	
Quiz 2	Thursday, October 18, 2007	
Assignment 4	Due Friday, November 02, 2007	
Exam 2	Tuesday, November 06, 2007	
Assignment 5	Due Friday, November 16, 2007	
Quiz 3	Tuesday, November 20, 2007	
Exam 3	University assigned final exam period	

Attendance Policy

“Ninety percent of life is just showing up” – Woody Allen

Because of the nature of this course, it is extremely important that you attend every class, arrive on time, and be prepared to participate. *What constitutes good attendance?* Being physically present during class is not sufficient to constitute good class attendance. Good attendance requires that you actively participate in class. Needless to say, good attendance requires that you do not distract other students, or disrupt the learning environment in the classroom. Please refer to Class Rules (below). Regular attendance is essential to the successful completion of this course. **You are expected to attend all class meetings. You are responsible for all class material regardless of whether or not you attended a class.**

Required Course Work

		Percent of Final Grade
<i>Quizzes</i>	There will be 3 announced quizzes given during the semester. No make-up quizzes will be given. You may drop your lowest quiz grade.	15%
<i>Assignments</i>	There will be five assignments to be submitted via WebCT and graded. You are responsible for downloading the assignments from WebCT. I will email the class when each assignment is available for download. For assignments submitted after their due date, one letter grade (10 points) will be deducted for each 24 hour period. For example if the due date was midnight on Wednesday, one letter grade (10 points) will be deducted for assignments submitted after midnight Wednesday but before midnight Thursday. For assignments submitted after midnight Thursday but before midnight Friday, two letter grades (20 points) will be deducted, etc.	25%
<i>Exams</i>	There will be two scheduled, in-class exams and a final exam. The final exam will be given during its scheduled time during the official University final exam period. If you are unable to take any of the in-class exams, at the scheduled time, and your absence qualifies, as “excused” you will be permitted take a cumulative final Absence from any exam will only be excused if it is documented by the Dean’s office as prescribed in the Student Handbook.¹ There are no exceptions. If the absence does not qualify as excused, you will receive a grade of zero for that exam and will not be permitted to take the cumulative final. In consideration to your fellow classmates no make-up exams or quizzes will be given.	60%
<i>Assigned Questions and Problems</i>	Questions and problems are assigned from the end of each chapter (EOC Problems). You are responsible for mastering the material in those problems. Some of these problems will be done in class, but the remainder you are responsible for doing on your own. These problems do not have to be turned-in and will not be graded. I will set aside time in class to answer questions on these problems and you are encourage to ask me questions about the problems in class, in office hours, via email and in the WebCT discussion forums. Answers to the odd-numbered problems are in the back of the book and the solutions to all of the problems in both written and spreadsheet form are available on WebCT. In general, the more problems that you do, the better you will perform on exams.	

¹ **Note:** Plane reservations leaving before the final date are **not** considered adequate cause.

Note: Attendance at a wedding is **not** adequate cause for taking exams at other times. This is regardless of whether you are getting married, you are a member of the wedding party, or you are just in attendance.

Note: Having more than one final on the same day is also not adequate cause.

Course Content

Course Outline and Assigned Question and Problems

Chapters from Ross, Westerfield and Jordan	Sections	Assigned End-of-Chapter (EOC) Problems
Chapter 1: Introduction to Financial Management	All	None
Chapter 11: Risk and Return	All	Skip: 9, 10, 24 & 28
Chapter 4: Introduction to Valuation: The Time Value of Money	All	All
Chapter 5: Discounted Cash Flow Valuation	5.1 - 5.3	Skip: 22, 42, 45, 48, 52, 55 & 56
Chapter 6: Interest Rates and Bond Valuation	6.1-6.4, 6.6-6.7	Skip: 13, 14, 20-22, 24 & 27-30
Chapter 7: Equity Markets and Stock Valuation	7.1 & 7.2	Skip: 19
Chapter 8: Net Present Value and Other Investment Criteria	All	All
Chapter 9: Making Capital Investment Decisions	9.1-9.5	Skip: 16-19 & 22-25
Chapter 12: Cost of Capital	All	All
Chapter 13: Leverage and Capital Structure	All	Skip: 7-9
Chapter 3: Working with Financial Statements	3.2-3.3	Skip: 42-44

Class Rules

Conducting yourself in a professional manner is essential to being successful in the corporate environment. Your decorum on the job will have a bearing how your colleagues and supervisors judge your intelligence, work ethic, credibility, and competency. Being comfortable with presenting yourself in a professional manner during job interviews will enhance your prospect of being judged as a potential asset to your employer.

Fortunately, behaving in a professional manner is not difficult and, what is not common sense is easily learned. Professional decorum is not stiff or superficial. On the contrary, professional decorum is based on respect: respect for your colleagues, both your peers and those who direct you. Professional decorum demands that your behavior show respect for the value of their time and yours, respect for their expertise, and respect for earned positions. During class students are expected to be respectful of each other and the instructor.

Your behavior in class should be as if you are attending a professional seminar or participating in a professional meeting. Therefore, the following rules are to be strictly observed during class:

- Unprofessional behavior (i.e. disrespectful) behavior towards your classmates or me will not be tolerated.
- Questions are welcome if they are germane to the current topic. Other questions are welcome when asked in private.
- Before you enter the classroom all cell phones, pages, etc. are to be turned off.
- No one is permitted to talk on a cell phone, send text messages, or respond to pages during class. If because of some extenuating circumstance you have to be available to receive a call or page, you must make arrangements with me before class begins.
- If your cell phone rings, or if you send or receive a text message or page, 1 point will be deducted from your final grade in the course.
- No sleeping during class. The students sitting next to you would rather that you drool on your pillow at home.

- No talking in class. Even if you are just whispering, you make it difficult for other students to listen to the class discussion or lecture.
- You are not permitted to distract other students or me during class.
- You are not permitted to read any extraneous materials during class, including newspapers, other texts, notes, magazines, text messages, etc.
- You will need to bring your calculator, textbook and notes to every class!
- If you are late, enter the room quietly and take a seat without stepping over any other student. Excessive lateness will not be tolerated.

Note: Completing work for another class or studying for an exam is not a proper excuse for leaving early, arriving late or entirely missing this class.

