

BCOR 340: Business Finance

Section 001 Fall 2009 CRN 81782

Lecture—Monday, & Wednesday 2:30-3:20, Room G20 MHH

Instructor	Paul J. Speaker, Ph.D.
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Office	212 B&E Building
Office Hours	By appointment
Course Materials	https://ecampus.wvu.edu

Recitation sections:

Sec	crn	Time	room	Bldg	Instructor	email
002	85389	F 1130-1220	348	BUE	Owens	Ryan.Owens@mail.wvu.edu
003	85390	F 1130-1220	301	HOD	Warash	Christopher.Warash@mail.wvu.edu
004	85391	F 1130-1220	441	BUE	Simatic	Laura.Simatic@mail.wvu.edu
005	85392	F 1230-1320	441	BUE	Simatic	Laura.Simatic@mail.wvu.edu
006	85393	F 1230-1320	117	OGH	Owens	Ryan.Owens@mail.wvu.edu
007	85394	F 1230-1320	101	WDB	Warash	Christopher.Warash@mail.wvu.edu
008	85395	F 1330-1420	348	BUE	Owens	Ryan.Owens@mail.wvu.edu
009	85396	F 1330-1420	347	BUE	Simatic	Laura.Simatic@mail.wvu.edu
010	85397	F 1330-1420	G16	WDB	Warash	Christopher.Warash@mail.wvu.edu

The graduate assistants' office is located in 258 B&E. Their office phone is 304-293-7893. One of the graduate assistants will be available for office hours according to the following schedule:

GA Office Hours—258 B&E: A Graduate Assistant will be available from 9:00 am – 5:00 pm daily from Monday through Thursday; and Friday by appointment.

Course Objectives and Learning Outcomes: In this course we will examine the capital decisions of the firm. The foundation for corporate decisions is formed through principles developed in microeconomic theory, using the accounting principles underlying financial statements to organize relevant information. The analysis includes a practical consideration of the operation of financial markets, considerations for the inter-temporal comparisons of opportunities, and the elements of the decision-making criteria for the financial manager.

Upon completion of this course, you will:

- Have enhanced your ability to read financial statements
- Be able to translate values across time
- Understand how to extend the basic economic decision-making criteria to decisions that have an impact across time periods
- Be able to value common stock, bonds, and preferred stock
- Be able to determine the cost of capital
- Be able to make business decisions using a discounted cash flow model
- Be able to evaluate potential business projects and make economically feasible recommendations

Course Prerequisites: All courses required for entry into the College of B&E

Required Materials: *Fundamentals of Financial Management*, Concise 6th ed., Eugene F. Brigham, and Joel F. Houston, Thomson--Southwestern Press, 2007, with Aplia is required for the course. The ISBN# is 978-0324-82640-1(hardcopy with Aplia) or the electronic version of the book with Aplia access may be purchased via Aplia.com, which is linked via eCampus or hardcopy via Aplia or the campus bookstore.

Computer Hardware and Software: All students must have access to a computer with Internet connectivity. The text has supplementary material available at the publisher's web site and course materials are regularly placed on [eCampus](#). The Microsoft Office Suite will be sufficient for class software needs, where class examples use MS Excel. Class notes are posted via MS PowerPoint. Other software use will involve free downloadable applications.

Class Meetings: You are scheduled for lecture two days each week (Monday and Wednesday) and one recitation session. Some support material will be available for asynchronous delivery within [eCampus](#). Follow the calendar within [eCampus](#) for details on the material to be covered throughout the course. You are expected to read assigned material before the class for which the readings are assigned.

Course Activities:

- Examinations—There are two examinations during the regular class period (50% of course grade) and one final examination (25% of course grade) using the university-determined final exam schedule. See the course outline for the exact dates and times.
- Quizzes—There are periodic quizzes over the course of the semester which account for the remaining 25% of the course grade. The quizzes are held in the recitation sections.

- **Bonus Activities**—Aplia.com has additional supporting material to assist you with this course and to refresh your skills from prerequisite courses. Performance using Aplia exercises will enhance your scoring from the other material.

Attendance: Attendance is expected for all class meetings. Business Finance is a difficult subject to learn, but your learning is greatly enhanced by your participation in class. Attendance will be taken for each class after the first week. Every absence, beginning with the fourth class missed, will result in a one percentage point reduction in your overall class average.

Makeup Assignments: You must honor the scheduled quiz and exam dates if you wish to receive credit for an assignment. Makeup assignments are provided only in extraordinary circumstances, offered during the last week of classes, and are comprehensive in nature.

Grading: Grades will be determined from the following weighted activities:

Semester exam I	25%
Periodic Quizzes	25%
Semester exam II	25%
Comprehensive final exam	25%
Aplia Extra Credit	up to 10%

Grading Scale: 90% A; 80% B; 70% C; 60% D; Below 60% F

Periodic Quizzes: The course outline contains a listing of quiz dates. These quizzes are to be taken in your scheduled recitation class.

Semester exams: These are problem-based exams to be held during regularly scheduled class. See the outline for the dates for your section. The exams are designed to be completed during the normal 50 minute class session. Classroom exams are closed book, but formula sheets will be provided.

Final exam: This is a comprehensive exam scheduled for Friday, December 18 at 8:00 am.

How to Use [eCampus](#)

West Virginia University has chosen [eCampus](#) as the standard medium for the provision of on-line course instruction. The decision to adopt a uniform on-line medium is meant to ease the transition to asynchronous education for students who take multiple on-line courses from the University. If you have taken previous on-line courses from WVU, you will find a great deal of familiarity with this course. If this is your first on-line experience, [eCampus](#) has a fast learning curve that will ease your adaptation to future courses.

[eCampus](#) provides the opportunity for you to deal with your class material at the time that is most convenient for you within a defined window of opportunity. You may access [eCampus](#) from any location that permits you access to the Web. While there are a host of options available in [eCampus](#), we will limit our use of the available features. These include: the on-line grade book, so that you may check your grade status in the course at any time; a closed reserve system to save in-class work and to post sensitive material; and bulletin boards with threaded discussions to maintain an open dialog with your classmates.

Academic Dishonesty: Academic dishonesty will not be tolerated. Please refer to the West Virginia University Student Handbook for more information about academic dishonesty. Please note that a student will receive a failing grade in this course for cheating.

General Comments: The instructor reserves the right to change this syllabus as time and circumstances dictate. Necessary changes will be announced in class in advance when possible. Note that the course outline is fluid and will be adjusted within [eCampus](#) as the semester progresses. Although the exam dates are firm, the topical coverage may change as circumstances warrant.

Social Justice:

West Virginia University is committed to social justice. I concur with that commitment and expect to maintain a positive learning environment based upon open communication, mutual respect, and non-discrimination. Our University does not discriminate on the basis of race, sex, age, disability, veteran status, religion, sexual orientation, color, or national origin. Any suggestions as to how to further such a positive and open environment in this class will be appreciated and given serious consideration.

If you are a person with a disability and anticipate needing any type of accommodation in order to participate in this class, please advise me and make appropriate arrangements with Disability Services (293-6700).

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Class Notes

Week	Monday/ Wednesday	Aplia Extra Credit	Demonstrations*	Assignment
1 Introduction: read chapter 1 and Financial Institutions: read chapter 2	8/24 8/26	Financial Management Overview 8/30 Financial Markets 8/30		
2 Financial Statements: read chapter 3	8/31 9/2	Accounting basics 9/6 Financial Statements 9/6	Income Statement Problem1 Income Statement Problem2 Excel Workbook Template	9/4 Quiz 1 in Recitation Section
3 Analysis of Financial Statements: read chapter 4	9/7 Labor Day Holiday 9/9	Financial Statement Analysis 9/13	Ratio Problem 1 Ratio Problem 2 Ratio Problem 3 Ratio Problem 4 Ratio Problem 5 Ratio Excel Workbook	
4 Risk and Return: read chapter 8	9/14 9/16	Statistics 9/20 Risk and Return 9/20	Mean & Variance Portfolio Correlation	9/18 Quiz 2 in Recitation Section
5 Interest Rates: read chapter 6	9/21 9/23	Interest Rates 9/27	Portfolio Return CAPM Risk-Return SML Risk-Return Workbook	
6 Time Value of Money: read chapter 5	9/28 9/30	Time Value 10/4	PVIF and time line Interest Rate Growth Rate Annuities EAR Credit Time Value Workbook	10/2 Quiz 3 on-line and available between 11:30 am and 6:00 pm Friday 10/2
7 Exam I Week	10/5 Review 10/7 Exam I			10/7 Exam I in Wednesday Class
8 Bonds: read chapter 7	10/12 10/14	Bond Valuation 10/18	Bond Valuation Bond Value Call Provision YTM YTC Bond workbook	
9 Equity: read chapter 9	10/19		Gordon Model ConstantGrowth1	

	10/21		ConstantGrowth2 PreferredStock1 PreferredStock2 Equity Workbook	
10 Equity continued	10/26 10/28	Stock Valuation 11/1	DCF and Dividend YieldNonConstantGrowth1 NonConstantGrowth2	10/30 Quiz 4 in Recitation Section
11 Cost of Capital: read chapter 10	11/2 11/4	Cost of Capital 11/8	WACC WACC workbook	
12 Capital Budgeting: read chapter 11	11/9 11/11		Capital Budgeting Capital Budget Workbook	
13 Capital Budgeting continued	11/16 11/18	Capital Budgeting 11/22 IRR 11/22	Decision Methods	11/20 Quiz 5 on-line available 6:00 am – 6:00 pm
14 Thanksgiving Week				
15 Exam Week	11/30 Review 12/2 Exam II			12/2 Exam II in Wednesday class
16 Cash Flow Estimation: read chapter 12	12/7 12/9	Cash Flow 12/13	Abandonment Decisions	12/11 Quiz 6 in Recitation Section
17 Final Exam Week				12/18 8:00 am – 10:00 am Final Exam