



Principles of Finance

SHORT COURSE DESCRIPTION

This course provides an introduction to the fundamental concepts and techniques of finance and might be subtitled “what every business major needs to know about finance.” It is designed to provide students a foundation with regard to the key concepts from each of three major areas of finance — investments, financial markets and corporate or managerial finance. In the class, we will discuss issues relating to the financial markets, the time value of money, financing, valuation, investments, the financial crisis among others.

READING MATERIALS

Textbook: Fundamentals of Corporate Finance, 13th edition (by Ross, Westerfield and Jordan) McGraw-Hill/Irwin; ISBN-13: 978-1260772395; **(required)**

Calculator: Texas Instruments BA II Plus financial calculator **(required)**; if you use other models, it is your responsibility to learn how to use them. Bring your calculator to **EVERY** class meeting.

COURSE REQUIREMENTS AND GRADING

The primary method of instruction will be lectures and class discussions. The material in the course is such that it requires a significant amount of quantitative analysis. The text is meant to be a learning tool that supplements the lectures. In many cases, the lecture will present material in a manner quite different from that in the text. Attendance, therefore, is extremely important.

- **Exams:** There will be 3 exams for the course; two midterms each representing 20% of your final grade and a cumulative final exam representing 30% of the final grade. All exams will be a combination of True/False, Multiple Choice, and Numeric Problems. Points will only be given for correct answers (no partial credit).
- **Homework:** Homework will be given periodically throughout the semester. These assignments will be due at the beginning of the next class. Points will only be earned for each correct answer (no partial credit). Take home quizzes/homework will count as 30% of the final grade.
- **Attendance:** Students are required to attend a minimum of 80% of all classes. For each class missed beyond this minimum threshold, 5 points will be subtracted from the student’s overall grade.

	Percent of total
Midterm 1	20%
Midterm 2	20%
Final Exam	30%
Homework	30%
TOTAL	100%

Academic Dishonesty is never acceptable and will result in an automatic failing grade for the course.

COURSE SCHEDULE

– WEEK I –

Monday (27 June)

Syllabus, Intro to Finance and Financial Statements

Tuesday (28 June)

Financial Statements

Wednesday (29 June)

Financial Statements

Thursday (30 June)

Time Value of Money

– WEEK II –

Monday (4 July)

Exam 1

Tuesday (5 July)

Time Value of Money

Wednesday (6 July)

Risk and Return

Thursday (7 July)

Bond Pricing

– WEEK III –

Monday (11 July)

Exam 2

Tuesday (12 July)

Equity Pricing

Wednesday (13 July)

Cost of Capital

Thursday (14 July)

Capital Budgeting

Friday (15 July)

Capital Budgeting

– WEEK IV–

Monday (18 July)

The Financial Crisis

Tuesday (19 July)

Exam 3