

Syllabus
University of Southern Maine
School of Business
Class 81312

FIN 320 Basic Financial Management

Prerequisites:

ACC 110 (C- or higher), ECO 101 or ECO 102, MAT 210 (C- or higher), or another approved statistics course, junior standing. See usm.maine.edu/school-of-business/stats for other approved statistics courses.

Spring 2023

Instructor: Bert Smoluk, Ph.D., CFA

Office Hours: M/W 11-12:15pm
or by appointment.

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Office: 314 Luther Bonney Hall

Email: smoluk@maine.edu

Course website: Brightspace

Course Description: This course is all about developing financial analytical skills surrounding the management of capital sources and uses within the context of creating and enhancing shareholder wealth. It provides a balanced introduction to the theory and practice of financial management that will prepare students to make basic financial decisions and critique the decisions of others. This course is the prerequisite for all other 300-level or higher Finance courses as well as possibly for pursuits of advanced degrees and professional designations. Topics include time value of money, capital markets, risk and return, stock and bond valuation, and capital budgeting. As time permits, we will also cover leverage and capital structure, and working capital management.

Although FIN320 is an overview course, a commitment to quality means that it is a challenging course for many students. It requires you to apply many of the concepts and tools you learned in prerequisite courses. For example, students are expected to be familiar with:

- The use of algebra and business math.
- The preparation and interpretation of financial statements (Income Statement, Balance Sheet, and Statement of Cash Flows), along with rudimentary background in the computation and interpretation of commonly used financial ratios.
- The concepts surrounding expected value, variance, and standard deviation.

If you initially had difficulty with these or if it has been a while since you have used them, it may help to review your previous class notes and course materials.

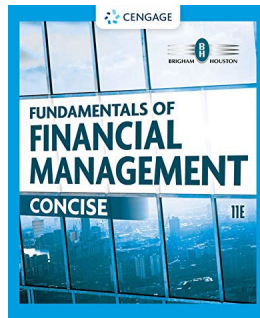
Required Material

Text: Fundamentals of Financial Management, Brigham and Houston, Concise 11th Edition, 2022, Thomson South-Western. ISBN-13: 978-1-357-51771-0

Textbook only is required. You may buy Cengage's Mindtap, but I do not refer to it in the course. It might help you as it seems to offer students plenty of testing/quizzing opportunities.

If you are interested in Mindtap (and ebook): ISBN-13: 9780357517734

Mindtap Course Key: MTPP8VNZJR6F



A financial calculator will greatly facilitate computations in this class. *I strongly recommend* either the TI BA II Plus or the TI BA II Plus Professional.



1. **You are required to periodically check Brightspace for assignments and messages.**
2. The material covered is designed to be challenging, yet reasonably accessible to the average student provided sufficient time is spent preparing for class.
3. There is a lot of material covered in this course; therefore, it is probably a waste of my time and your time for me to lecture on topics easily comprehended by simply reading the text. Consequently, much of the course's background material will not be addressed directly in class.

FIN 320 Grading Allocation

Quizzes	60%
Attendance	10
Final Exam 50% on chapters 10 and 11 (and 12 if covered) and 50% cumulative. I will provide guidance before the final exam.	30%*

*** You must pass the final exam to pass the course.**

Tutors may be available for this course. Contact the Learning Commons at usm.maine.edu/learningcommons.

Grading: Number scores for the course roughly translate into letter grades as follows:

A	100-94	C+	79-77
A-	93-90	C	76-74
B+	89-87	C-	73-70
B	86-84	D+	69- 67
B-	83-80	D	66-60
		F	59 or less

Any curve, if appropriate, will be applied at the end of the semester based on overall course grades provided your attendance is good: in other words, you miss no more than two classes during the semester. I usually drop one quiz grade in computing the course average. There are no make-up quizzes. This grading scheme is designed to reward students who attend class. No phone, no communication, no notes, no books, no notes (except for a formula sheet provided by the professor) are to be used during any quiz or the final exam. If you plan to take a vacation during the semester, I suggest that you avoid this course!

Make-up exams and Extra Credit:

There are none.

Code of Conduct

Any student caught cheating on an exam or plagiarizing a paper will fail the course.

This course is structured to be consistent with the mission statement of School of Business: We prepare and inspire current and future leaders, and stimulate economic growth by providing quality learning opportunities, valuable research and professional service, all in partnership with the business community.

Skills

This course is designed to develop many skills that are demanded by employers. Furthermore, you will be expected to draw from the knowledge that you have gained in prerequisite courses such as accounting, statistics, math, and economics.

Analytical Skills

This course requires a working knowledge of business math, algebra, statistics, and economics. The lectures are designed to develop your quantitative and financial analysis skills

Critical Thinking Skills

The spectrum of financial opportunities available to corporations is extremely broad and the skills needed to analyze these opportunities are even broader. This course seeks to develop your critical thinking skills in the area of financial management. You are challenged to apply the theory advanced in class to real world situations.

Ethical Context of Professional Practice

The material contained in this course is presented within a context that ethical behavior in the field of financial management. Unethical business practices are a common source of business failures and substantial losses for individual investors, employees, and other stakeholders. We will not shy away from discussing these situations as they arise.

AMERICANS WITH DISABILITIES ACT OF 1992

If you need course adaptations or accommodations because of a disability, please make an appointment with me as soon as possible. At any point in the semester, if you encounter difficulty with the course or feel you could be performing at a higher level, consult with me. Students experience difficulty in courses for a variety of reasons. For problems with writing skills and time management, make an appointment to see a student tutor at The Learning Center (TLC), 253 Luther Bonney (780-4228). Help is also available through the Counseling Center, 106 Payson Smith (780-4050) and the Office of Academic Support for Students with Disabilities, 237 Luther Bonney (780-4706). Please note that only students who are registered with the Office of Academic Support for Students with Disabilities are eligible for accommodation. If you need course adaptations or accommodations because of a disability, please make an appointment with me as soon as possible.

If you are struggling: Students experience difficulty in courses for a variety of reasons. At any point in the semester, if you encounter difficulty with the course or feel you could be performing at a higher level, I encourage you to talk with me. For problems with writing skills and time management, you can make an appointment to see a student tutor at The Learning Center (TLC), 253 Luther Bonney (780-4228). Help is also available through the Counseling Center, 106 Payson Smith (780-4050).

Repeat Policy

Any School of Business major or minor who has enrolled in an ABU, ACC, FIN, or BUS course more than twice must, before continuing in that course, complete and have approved by the Department Chair, a course condition from (available from the School of Business academic advisors). Failure to do so may result in course disqualification.

Tentative Course Outline

Chapter 5 Time Value of Money, this material does not rely on the material in previous chapters.

Chapter 1 An Overview of Financial Management

Chapter 2 Financial Markets and Instruments

Chapter 3 Financial Statements, CF, and Taxes

Chapter 4 Skip – you had this material in Accounting

Chapter 6 Interest Rates

Chapter 7 Bonds and their Valuation

Chapter 8 Risk and Rates of Return

Chapter 9 Stocks and their Valuation

Chapter 10 The Cost of Capital

Chapter 11 The Basics of Capital Budgeting

Chapter 12 Cash Flow Estimation and Risk Analysis (time permitting)