



LINCOLN UNIVERSITY

BA 140 – Fundamentals of Finance

Summer 2014 Course Syllabus

Course Title: Fundamentals of Finance
Course No. BA 140
Units: 3
Class Hours: 45 lecture hours

Instructor: Dr. Xiaoyan Xu
Contact: xxu@lincolnuca.edu
Office Hours: TTH 10:30-11:30am
Term: Summer 2014

Required Textbook and Others

Required textbook: *Fundamentals of Corporate Finance*, 2nd Ed., Berk, DeMarzo and Harford, Pearson. ISBN: 9780132148238.

Students will need to use a calculator (graphic or financial) or Excel in order to solve many of the assigned and exam problems.

Course Description

Introduction to the financial management of a company. The course includes the study of the financial system, source of funds, different sectors of the economy affecting the business organization and adjustments to changes in capital structure, use of financial statements, planning, and forecasting. (3 units) *Prerequisite: BA 10 or equivalent*

Learning Objective

The course stresses the importance of data analysis and its use in problem solving and decision-making. We will focus on the corporation and its internal and external financial environment and relationships. A good deal of time will be spent on analytical and evaluative techniques that, when applied to the firm, yield useful information for decision-making purposes. The firm will also be studied in terms of its capital structure and the influence this can have on cost of capital and investment decisions. This analysis will be extended to incorporate the influence of financial market characteristics and conditions on financial decision-making. Finally, the firm will be viewed as a totality stressing the importance of integrating financial policy and strategy with plans for growth and/or diversification. In a broad sense, the course enables the student to relate to the functions of the financial officer in playing a key role in carrying out the objectives of an organization.

Overview

Reading assignments from the text provide background concepts and analytical tools useful in evaluating assigned cases.

Project assignments are used primarily for purposes of providing practice in the application of financial analytical tools and techniques to business situations and the development of useful information for consideration in management decision-making.

Problem assignments enable the development of a more clear understanding of the application of financial and analytical tools and techniques.

Classroom Protocol

Students are expected to attend each class meeting and be prepared to discuss the assigned text, problems and case materials. Students are expected to be on-time for scheduled class meetings and to stay for the entire class period. Students who come to class late will not be admitted until the break period. Eating is not allowed in the classroom. The use of cell phones is prohibited unless the student has downloaded a financial calculator on their phone. Laptops are allowed in class, however, surfing the internet is not permitted.

Grading

Class participation	10%
2 assigned projects	20%
Comprehensive Project	30%
Mid-term examination	20%
Final examination	<u>20%</u>
	100%

Your final grade for the course is based on the distribution below:

95-100	A	84-86	B	74-76	C	60-64	D
90-94	A-	80-83	B-	70-73	C-	< 60	F
87-89	B+	77-79	C+	65-69	D+		

Course Schedule

This schedule is a general plan of the course. Deviations may be necessary. However, exam dates are fixed.

Week	Date	Topics, Readings, Assignments, Deadlines
1	6/10, 12	Introduction; Financial statement analysis
2	6/17, 19	Financial statement analysis; Time value of money
3	6/24, 26	Discounted Cash Flow Valuation
4	7/1, 3	Midterm exam; Capital budgeting
5	7/8, 10	Bond and stock valuation
6	7/15, 17	the CAPM model; Estimating the cost of capital
7	7/22, 24	Presentation and final exam

Update: 5/18/2014