

## BFN 3035 Syllabus

Fermanian School of Business  
BFN 3035 Business Finance  
3 Credit hours – Spring 2023



<b>Meeting days:</b> Tuesday	<b>Professor:</b> Stephen Christie, Ph.D., CMA
<b>Meeting times:</b> 6:00 p.m. – 8:45 p.m.	<b>Cell Phone:</b> 909.519.1185
<b>Meeting location:</b> Southwestern College	<b>E-mail:</b> <a href="mailto:schristi@pointloma.edu">schristi@pointloma.edu</a>
<b>Final Exam:</b> May 2, 2023; 6:00pm	<b>Office Hours:</b> Before class or by appointment

### PLNU Mission

#### To Teach ~ To Shape ~ To Send

Point Loma Nazarene University exists to provide higher education in a vital Christian community where minds are engaged and challenged, character is modeled and formed, and service is an expression of faith. Being of Wesleyan heritage, we strive to be a learning community where grace is foundational, truth is pursued, and holiness is a way of life.

### Fermanian School of Business Mission

#### Character – Professionalism – Excellence – Relationships – Commitment - Innovation

As members of a vital Christian community, we strive to provide high quality business programs that equip students to make a positive impact in their workplace and community by connecting purpose to practice.

### COURSE DESCRIPTION

---

This course provides an introduction to the principles that guide the financial management of a business enterprise, with emphasis on decision-making and value creation. Topics include financial analysis, time value of money, risk and return, security valuation, capital budgeting, cost of capital, forecasting and dividend policy. Prerequisite(s): ECO 1002, MTH 1053 or MTH 1073, MTH 2003 and ACC 2002 or consent of instructor for non-majors.

### COURSE LEARNING OUTCOMES

---

The following learning outcomes are aligned with the Fermanian School of Business Program Learning Outcomes. Upon successful completion of this course, students will be able to:

1. Exhibit an understanding of finance terminology (PLO 1, C1).
2. Exhibit an understanding of finance principles and theories, including: financial analysis, the time value of money, risk and return, securities, capital budgeting, cost of capital, leverage, dividend policy and forecasting (PLO 1, C1).
3. Calculate and analyze a firm's financial performance, security valuation and returns, financial forecast and impact of leverage (PLO 2, C2).
4. Evaluate a firm's opportunities using capital budgeting analysis, including preparing cash flows, calculating cost of capital and applying various finance tools (PLO 2, C2).
5. Formulate financial decisions based upon ethical values (PLO 4).
6. Collaborate effectively in teams to solve complex finance problems (PLO 5).

### COURSE CREDIT HOUR INFORMATION

---

In the interest of providing sufficient time to accomplish the stated Course Learning Outcomes, this class meets the PLNU credit hour policy for a 3 unit class delivered over 15 weeks. Specific details about how the class meets the credit hour requirement can be provided upon request.

---

**REQUIRED TEXT AND STUDY RESOURCES**

---

**Text:** Financial Management: Principles and Applications, Titman, Keown, Martin, 13th edition, Pearson, ©2018 (ISBN-13#: 9780134417219). **Resources:** Personal Computer with Microsoft Excel.

---

**CLASS ACTIVITIES (ASSESSMENT AND GRADING)**

---

**Individual Homework:** Homework assignments will primarily consist of problems from the end of each chapter and problems provided by the instructor and will be assigned (via Canvas) for each class period approximately one week prior to the due date of such assignments. All homework assignments must be turned in (via Canvas) no later than 7:00am on the date the homework assignment is due. Late homework will not be accepted as we will review all assignments in class the date they are due. Submit only your own original work for homework. While working together on homework assignments is encouraged, you **cannot** share homework (Microsoft Excel) files and must submit your own work (see academic integrity section below). Homework must be prepared using Microsoft Excel and submitted through Canvas. Homework must include all work and supporting calculations in Excel for credit.

**Quizzes:** Quizzes will be given during the semester and will consist of multiple choice and true/false questions based primarily on finance terms, concepts and terminology included in the textbook and lectures. No makeup quizzes will be issued if one is missed; however, your lowest grade on the quizzes will be dropped from your final grade score.

**Exams:** Every student is to be present for all exams and the final exam at the scheduled times. Students should not share their Excel files with other students as each student must create their own spreadsheets. No makeup exams will be given without PRIOR permission. The professor will provide a makeup exam only for absences officially excused by the university provost or for emergencies completely beyond a student's control, such as a documented illness or injury. You must coordinate any conflict with one of these exams with the professor as soon as you discover it, preferably not later than 48 hours prior to the exam.

---

**PLNU & COURSE POLICIES**

---

1. **Professionalism:** The guiding norm for the conduct of this class will be respect. Students are expected to exhibit respect to all who are part of the learning experience and students can expect to receive respect in return. Any deviations from this norm will be grounds for an immediate request to leave the class. As a function of respect, students are expected to prepare for class and hold to the highest levels of professionalism including integrity and honesty, respectfulness, punctuality and mature leadership. Exemplary behavior is expected in the classroom.
2. **Academic Honesty:** Students should demonstrate academic honesty by doing original work and by giving appropriate credit to the ideas of others. Academic dishonesty is the act of presenting information, ideas, and/or concepts as one's own when in reality they are the results of another person's creativity and effort. A faculty member who believes a situation involving academic dishonesty has been detected may assign a failing grade for that assignment or examination, or, depending on the seriousness of the offense, for the course. Faculty should follow and students may appeal using the procedure in the university Catalog. See the [Academic Honesty Policy](#) in the Graduate and Professional Studies Catalog for definitions of kinds of academic dishonesty and for further policy information.
3. **Student Responsibility:** Each student is responsible for individual learning. As such, each student must: Read all chapters assigned prior to class, participate in the class discussion, and ask appropriate questions during class to further your understanding. On many occasions the professor will ask if everyone understands or if anyone has any questions. If students do not ask for additional help with the concept(s), students are telling the professor that they understand the concept(s) up to that point AND the students give the professor permission to move on to the next concept or topic. It is the responsibility of each student to seek assistance from the professor outside of class if there are still questions. Think! Earning an undergraduate degree isn't about knowing how to regurgitate information that someone told you – it means that you know how to think and problem solve on your own.
4. **Attendance and Participation:** Regular and punctual attendance at all class sessions is considered essential to optimum academic achievement. If the student is absent for more than 10 percent of class sessions, the faculty member will issue a written warning of de-enrollment. If the absences exceed 20 percent, the student may be de-enrolled without notice until the university drop date or, after that date, receive the appropriate grade for their work and participation. See [ADC Academic Policies in the Graduate and Professional Studies Catalog](#) in the Graduate and Professional Studies Catalog for additional detail.

5. **Late Work**: Late work **will not be accepted except under extreme circumstances**, and unless approved by the professor prior to the assignment date, and provided that the request is reasonable and has merit. Note: If the assignment is to be submitted via Canvas, the opportunity to submit the assignment will end at the stated time and you will not be able to earn credit for that particular assignment.
6. **Quizzes**: Additional quizzes will be given at the discretion of the professor. If a student is late or absent, the quiz cannot be made up.
7. **Grading Standards**: Each student will be evaluated on quiz scores, homework, the case problem, and test scores. Each student is expected to perform in a manner consistent with college requirements.
8. **Examinations**: The concepts tested will be based on the reading, lecture, and homework.
9. **Schedule Changes**: The information in this syllabus is subject to change. Any such changes will be announced in class and/or communicated via Canvas or PLNU e-mail.
10. **Canvas and e-mail**: Assignments, announcements, changes to this syllabus and other communication from the instructor, from time to time, may be made via Canvas and/or the student's PLNU e-mail address. Students are required to review their Canvas and PLNU e-mail daily.
11. **Mobile phones: and Other Mobile Devices**: The use of mobile phones, including phone calls, texting or any other purpose, is not allowed in the classroom during class meetings or examinations. Please keep mobile phones turned-off and out of sight at all times. The classroom use of tablets and PC's should only be for class-related work and not for social media or any other non-class purposes.
12. **Video or audio recording during class**: No video or audio recording of the instructor or guest speakers is allowed in class under any circumstances without the explicit written permission of the instructor and/or guest speaker.
13. **Dropping the Course**: It is the student's responsibility to maintain his/her class schedule. Should the need arise to drop this course (personal emergencies, poor performance, etc.), the student has the responsibility to follow through (provided the drop date meets the stated calendar deadline established by the university), not the professor. Simply ceasing to attend this course or failing to follow through to arrange for a change of registration (drop/add) may easily result in a grade of F on the official transcript.
14. **Final Examination Policy**: Successful completion of this class requires taking the final examination **on its scheduled day**. No requests for early examinations or alternative days will be approved. Make-up examinations will only be considered if the student notifies the professor at least 24 hours in advance of the exam date and provided that the request is reasonable and has merit. The student's notification to the professor of an absence does not constitute approval of a make-up exam. A phone message from the student may be used for notification, but unless the student receives confirmation of approval from the professor prior to the exam, the make-up exam has not been approved. In all other cases, make-up examination requests **will be denied**.
15. **Copyright Policy**: Point Loma Nazarene University, as a non-profit educational institution, is entitled by law to use materials protected by the US Copyright Act for classroom education. Any use of those materials outside the class may violate the law.
16. **FERPA Policy**: In compliance with federal law, neither PLNU student ID nor social security number should be used in publicly posted grades or returned sets of assignments without student written permission. This class will meet the federal requirements by distributing all grades and papers individually. Also in compliance with FERPA, you will be the only person given information about your progress in this class unless you have designated others to receive it in the "Information Release" section of the student portal. See Policy Statements in the (undergrad/ graduate as appropriate) academic catalog.
17. **Use of Technology**: In order to be successful in your course, you'll need to meet the minimum technology and system requirements; please refer to the [Technology and System Requirements](#) information. Additionally, students are required to have headphone speakers, microphone, or webcams compatible with their computer available to use for any online or hybrid classes. Please note that any course with online proctored exams require a computer with a camera (tablets are not compatible) to complete exams online.

Problems with technology do not relieve you of the responsibility of participating, turning in your assignments, or completing your class work.

18. **Academic Accommodations Policy:** PLNU is committed to providing equal opportunity for participation in all its programs, services, and activities. Students with disabilities may request course-related accommodations by contacting the Educational Access Center (EAC), located in the Bond Academic Center (EAC@pointloma.edu or 619-849-2486). Once a student’s eligibility for an accommodation has been determined, the EAC will issue an academic accommodation plan (“AP”) to all faculty who teach courses in which the student is enrolled each semester.

PLNU highly recommends that students speak with their professors during the first two weeks of each semester/term about the implementation of their AP in that particular course and/or if they do not wish to utilize some or all of the elements of their AP in that course.

Students who need accommodations for a disability should contact the EAC as early as possible (i.e., ideally before the beginning of the semester) to assure appropriate accommodations can be provided. It is the student’s responsibility to make the first contact with the EAC.

19. **Spiritual Care:** Please be aware PLNU strives to be a place where you grow as whole persons. To this end, we provide resources for our students to encounter God and grow in their Christian faith. If students have questions, a desire to meet with the chaplain or have prayer requests you can contact the [Office of Spiritual Development](#)
20. **Sexual Misconduct and Discrimination:** Point Loma Nazarene University faculty are committed to helping create a safe learning environment for all students. If you (or someone you know) have experienced any form of sexual discrimination or misconduct, including sexual assault, dating or domestic violence, or stalking, know that help and support are available through the Title IX Office at pointloma.edu/Title-IX. Please be aware that under Title IX of the Education Amendments of 1972, it is required to disclose information about such misconduct to the Title IX Office.

If you wish to speak to a confidential employee who does not have this reporting responsibility, you can contact Counseling Services at [counselingservices@pointloma.edu](mailto:counselingservices@pointloma.edu) or find a list of campus pastors at [pointloma.edu/title-ix](http://pointloma.edu/title-ix).

**STUDENT EVALUATION**

---

1. Students will be evaluated on the following graded events:

<b><u>Graded Event:</u></b>	<b><u>Points</u></b>
Homework	260
Quizzes (12 @ 15 points each)	180
Mid-term Exams (2 @ 150 points each)	300
Final Exam (Comprehensive)	<u>260</u>
Total Points Available	<u>1,000</u>

2. Students will be evaluated based upon the following scale:

Percent	Letter Grade	Percent	Letter Grade	Percent	Letter Grade
93.0-100	A	80.0-82.9	B-	67.0-69.9	D+
90.0-92.9	A-	77.0-79.9	C+	63.0-66.9	D
87.0-89.9	B+	73.0-76.9	C	60.0-62.9	D-
83.0-86.9	B	70.0-72.9	C-	0.0-59.9	F

Note: The above schedule presents the approximate number of total points – the actual total points are based on all assignments that encompass the whole course. The total may exceed the amount shown or may be less than the amount shown – all grades are based on a percentage of the total to be earned. Grade Earned will be determined by the percentage of total points earned! Every effort will be made to keep Canvas up to date. Questions should be directed to the professor during the semester if you are unsure of your grade status.

**COURSE SCHEDULE AND ASSIGNMENTS**

*Tentative Schedule (subject to change as needed - Check your PLNU e-mail and Canvas account daily):*

Date	Wk #	Class #	CLASS TOPIC / READING	PTS	HOMEWORK / QUIZ DUE
01/10/23	1		No class session - Light Week		
			Syllabus quiz - bonus points		
01/17/23	2	<b>1</b>	Course Introduction		
			Syllabus review		
			Read Chapter 1		
			1.1 Finance: An overview		
			1.2 Business organizations		
			1.3 Goal of financial manager		
			1.4 Principles of finance		
			Read Chapter 2		
			2.1/2.2 Financial markets & institutions		
			2.3 Securities markets		
01/24/23	3	<b>2</b>	Read Chapter 3	15	<b>Quiz - Chapter 1</b>
			3.1 Financial statements	<b>13</b>	HM-Chapter 1
			3.2 Income statement		
			3.3 Corporate taxes		
			3.4 Balance sheet		
			3.5 Cash flow statement		
			Read Chapter 4		
			4.1 Financial analysis		
			4.2 Common-size statements		
			4.3 Financial ratios		
01/31/23	4	<b>3</b>	Read Chapter 5-a	15	<b>Quiz - Chapter 3</b>
			5.1 Timelines for cash flows	15	<b>Quiz - Chapter 4</b>
			5.2 Compounding & future value	<b>16</b>	HM-Chapter 2 & 3
			Read Chapter 5-b	<b>26</b>	HM-Chapter 4
			5.3 Discounting & present value		
02/07/23	5	<b>4</b>	Read Chapter 5-c		
			5.4 Interest rates		
			Review of discounted cash flow		
			Read Chapter 6-a		
			6.1 Annuities		
			6.2 Perpetuities		

Date	Wk #	Class #	CLASS TOPIC / READING		PTS	HOMEWORK / QUIZ DUE
02/14/23	6	5	Read Chapter 6-b		15	<b>Quiz - Chapter 5</b>
			6.2	Perpetuities - continued	<b>25</b>	HM-Chapter 5
			6.3	Complex cash flow streams		
			Review for midterm 1			
			Chapters 1 to 6			
02/19/23	6		Assignments due - prior to midterm 1 exam		15	<b>Quiz - Chapter 6</b>
					<b>13</b>	HM-Chapter 6-a
					<b>15</b>	HM-Chapter 6-b
02/21/23	7	6	<b>Midterm exam 1</b>		<b>150</b>	Midterm exam 1
			Chapters 1 to 6			
			<b>Read Chapter 8 - delivered virtually</b>			
			8.1	Portfolio returns & risk		
			8.2	Systematic risk & market portfolio		
			8.3	Security market line & CAPM		
02/28/23	8	7	Read Chapter 9-a		15	<b>Quiz - Chapter 8</b>
			9.1	Corporate debt	<b>10</b>	HM-Chapter 8
			9.2	Valuing corporate debt		
			9.3	Bond valuation relationships		
			Read Chapter 9-b			
			9.4	Types of bonds		
03/07/23			<b>No Class - Spring Break</b>			
03/14/23	9	8	Read Chapter 10		15	<b>Quiz - Chapter 9</b>
			10.1	Common stock	<b>17</b>	HM-Chapter 9
			10.2	Valuing common stock		
			10.3	Preferred stock		
			Read Chapter 11-a			
			11.1	Capital budgeting		
			11.2	Net present value		
03/21/23	10	9	Read Chapter 11-b		15	<b>Quiz - Chapter 10</b>
			11.3	Other investment criteria	<b>17</b>	HM-Chapter 10
			Read Chapter 12-a			
			12.1	Project cash flow		
			12.2	Forecasting project cash flow		

Date	Wk #	Class #	CLASS TOPIC / READING	PTS	HOMEWORK / QUIZ DUE
03/28/23	11	<b>10</b>	Read Chapter 12-b	15	<b>Quiz - Chapter 11</b>
			12.3 Inflation & capital budgeting	<b>21</b>	HM-Chapter 11
			12.4 Replacement project cash flow		
			Review for Midterm 2		
			Chapters 8 to 12		
04/02/23	11		Assignments due - prior to midterm 2 exam	15	<b>Quiz - Chapter 12</b>
				<b>19</b>	HM-Chapter 12
04/04/23			<b>No Class - Easter Break</b>		
04/11/23	13	<b>11</b>	<b>Midterm exam 2</b>	<b>150</b>	Midterm exam 2
			Chapters 8 to 12		
			Read Chapter 13 - <b>delivered virtually</b>		
			13.3 Break-even analysis		
04/18/23	14	<b>12</b>	Read Chapter 14-a	<b>18</b>	HM-Chapter 13
			14.1 Cost of capital		
			14.2 Capital structure weights		
			14.3 Estimating cost of capital sources		
			Read Chapter 14-b		
			14.4 Calculating firms WACC		
			14.5 Estimating project costs of capital		
			14.6 Flotation costs and project NPV		
04/25/23	15	<b>13</b>	Read Chapter 17	15	<b>Quiz - Chapter 14</b>
			17.1 Financial planning	<b>19</b>	HM-Chapter 14
			17.2 Long-term financial plan		
			17.3 Short-term financial plan		
			Read Chapter 18		
			18.1 Working capital & risk-return		
			18.2 Working capital policy		
			18.4 Managing current liabilities		
			18.5 Managing current assets		
			Review for Final Exam – <b>video discussion</b>		
			Comprehensive		
04/23/23	15		Assignments due - prior to final exam	15	<b>Quiz - Chapter 17</b>
				<b>20</b>	HM-Chapter 17
				15	<b>Quiz - Chapter 18</b>
				<b>11</b>	HM-Chapter 18
<b>05/02/23</b>	<b>16</b>	<b>14</b>	<b>Final Exam - 6:00pm</b>	<b>260</b>	<b>Comprehensive</b>