

FIN 3085 – Intermediate Finance

Course Syllabus – Fall 2020 (8-15-20)

General Information:

Instructor: Daniel Bothe *Mobile Phone:* 858-204-3866
Office: FSB 127 (or Zoom) *E-mail:* dbothe@pointloma.edu
Office Hours: By appointment *Live Zoom Sessions:* M/W 8:00 – 9:15am (as outlined per Tentative Schedule)

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 a study of the major decision-making areas of financial management at an intermediate level, including cost of capital, capital budgeting, dividend policy and forecasting. Advanced topics include business valuation, mergers and acquisitions, bankruptcy and reorganization, securities offerings and finance for emerging businesses. Case studies will be used to apply concepts to business situations.

Course Learning Outcomes (CLOs):

Upon completion of this course, students will be able to:

1. Exhibit an in-depth understanding of the major decision making areas of financial management, including: risk and return, cost of capital, capital budgeting, dividend policy, capital structure, forecasting and working capital (PLO 1 & C1).
2. Exhibit an in-depth understanding of advanced financial management topics, including: business valuation, mergers & acquisition, bankruptcy, and securities offerings (PLO C1).
3. Apply financial management knowledge and tools in the valuation of a business (PLO 2 & C2).
4. Apply financial planning, cost of capital and capital budgeting analysis to complex business situations, and evaluate decisions regarding such situations (PLO 2).
5. Formulate finance decisions and positions based upon ethical values (PLO 4).

Course Credit Hour Information:

In the interest of providing sufficient time to accomplish the stated Course Learning Outcomes (CLOs), this class meets the PLNU credit hour policy for a 3 unit class delivered over 16 weeks. Specific details about how the class meets the credit hour requirement can be provided upon request.

Course Materials Required:

1. Brigham & Daves, *Intermediate Financial Management*, 11th edition, South-Western Cengage Learning, 2013. ISBN: 9781111530259
2. Various Harvard Business Review (HBR) cases and articles – See Canvas.

Student Evaluation:

1. I will evaluate you on the following graded events:

<u>Graded Event</u>	<u>Points</u>
Discussion Questions (10 @ 8 points each)	80
Homework (11 @ 15 points each)	165
Case Study Summaries (4 @ 20 points each)	80
Finance Ethics Paper (Parts 1 & 2)	20
Participation/Attendance	75
Mid-Term Exams (2 @ 180 points each)	360
Final Exam (Comprehensive)	<u>220</u>
Total Points Available	1,000

2. I will evaluate student performance based upon the following scale:

<u>Percent</u>	<u>Letter Grade</u>	<u>Performance</u>
90.0 – 100.0	A- to A	Exceptional Scholarship
80.0 – 89.9	B- to B+	Superior Scholarship
70.0 – 79.9	C- to C+	Satisfactory Scholarship
60.0 – 69.9	D- to D+	Marginal Scholarship
< 60.0	F	Unsatisfactory Scholarship / Failing Grade

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3. Additional information regarding evaluation:

- a. **Discussion Questions:** Each of the approximately eleven (11) Discussion Question assignments will consist of each student answering one Discussion Question relating to a particular chapter or chapters of the textbook and respond to two answers from the same assignment based upon the Assigned Answers and Responses matrix provided in Canvas (for each Discussion Question assignment). Each answer should be based upon the corresponding chapter readings and other knowledge each student may have. For each response, students are to provide additional insight to their classmate's original answer based upon what has been learned from the assigned reading and homework for the corresponding chapter. All Discussion Question answers and responses are to be completed directly in Canvas.
- b. **Homework:** Each of the approximately twelve to thirteen (12-13) Homework assignments will primarily consist of problems from the end of each chapter and/or problems provided by the instructor and will be assigned via Canvas. All homework assignments must be turned in (via Canvas) on the date and time the Homework assignment is due. **Late Homework will not be accepted** as all assignments will be reviewed at the Live Zoom Sessions or via video shortly after the day and time they are due. **You must complete all Homework assignments or risk losing approximately 15 points or 1.5% of your grade for each missed assignment.** Submit only your own original work for homework. While working together on homework assignments is encouraged, you cannot share homework (Microsoft Excel) files (as this is considered academic dishonesty). **If you do not submit your own original work, you will receive a zero (0) for such assignment, and may receive a zero (0) for the entire Homework category (165 points).** Homework must be **prepared using Microsoft Excel** and submitted through Canvas. Homework must include all work and supporting calculations for partial or full credit.
- c. **Case Study Summaries:** Case Study Summaries for each assigned case are to be prepared based upon questions relating to such cases provided by the instructor. The specific case assignments and related questions, as well as the due date/time for each Case Study Summary will be posted via Canvas. Case Study Summaries are to be 2 to 3 pages (APA format) in length plus any necessary supporting analysis and calculations. All supporting analysis and calculations must be prepared in Microsoft Excel. **Late Case Study Summaries will not be accepted** as we will discuss all cases in Live Zoom Sessions shortly after Case Study Summaries are due. Submit only your own original work for Case Study Summaries (or group's own original work for those assigned as a group). A thorough reading and analysis of each case is required to prepare the Case Study Summaries and to prepare you for your required contribution to case discussions that will occur for each case during class (see class participation below). Case Study Summaries must be submitted through Canvas.
- d. **Finance Ethics Paper:** A two part Finance Ethics Paper will be prepared based upon a specific finance ethics topic and related readings assigned by the instructor. More specific details regarding the Paper will be provided prior to the due date.
- e. **Participation/Attendance:** The success of the course will be impacted by the quality of daily Participation. Participation will be based upon your Live Zoom Session contributions to discussions, including input or questions regarding the readings, discussion questions, case-studies and homework. Class participation will also be based upon your Attendance – please see class policy regarding attendance below.
- f. **Exams:** Successful completion of this class requires taking the final and other examinations on their scheduled days and times. No requests for early examinations or alternative days will be approved. Every student is to be present online for mid-term exams and the final exam as scheduled per this syllabus. **No makeup exams will be given without PRIOR permission.** I 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 me as soon as you discover it, preferably not later than 48 hours prior to the exam.

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PLNU and Course Policies:

1. **Professionalism:** Students are expected to hold the highest levels of professionalism including integrity and honesty, respectfulness, punctuality and leadership. Exemplary behavior is expected during the Live Zoom Sessions and all group and other activities.
2. **PLNU Academic Honesty Policy:** 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 Academic Policies in the PLNU Catalog for further policy information.
3. **PLNU Attendance and Participation Policy:** Regular and punctual attendance at all **synchronous** class sessions is considered essential to optimum academic achievement. If the student is absent for more than 10 percent of class sessions (virtual or face-to-face), 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. In some courses, a portion of the credit hour content will be delivered **asynchronously** and attendance will be determined by submitting the assignments by the posted due dates. See Academic Policies in the Academic Catalog. If absences exceed these limits but are due to university excused health issues, an exception will be granted.
Asynchronous Attendance/Participation Definition: A day of attendance in asynchronous content is determined as contributing a substantive note, assignment, discussion, or submission by the posted due date. Failure to meet these standards will result in an absence for that day. Instructors will determine how many asynchronous attendance days are required each week.
4. **Schedule and Other Changes:** The information in this syllabus and in Canvas is subject to change. Any such changes will be announced in class and / or communicated via Canvas or e-mail.
5. **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 e-mail address. Students are required to review their Canvas and e-mail daily.
6. **Mobile phones:** The use of mobile phones, including phone calls, texting or any other purposes, is not allowed during Live Zoom Meetings or during examinations. **Please always keep mobile phones turned-off and out of sight.**
7. **Video or audio recording during class:** No video or audio recording of the instructor or guest speakers is allowed in under any circumstances without the explicit written permission of the instructor and/or guest speaker.
8. **PLNU 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.
9. **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 instructor. 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.
10. **Use of Technology:** In order to be successful in the online environment, 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 compatible with their computer available to use. If a student is in need of technological resources please contact student-tech-request@pointloma.edu. Problems with technology do not relieve you of the responsibility of participating, turning in your assignments, or completing your class work.
11. **State Authorization:** State authorization is a formal determination by a state that Point Loma Nazarene University is approved to conduct activities regulated by that state. In certain states outside California, Point Loma Nazarene University is not authorized to enroll online (distance education) students. If a student moves to another state after admission to the program and/or enrollment in an online course, continuation within the program and/or course will depend on whether Point Loma Nazarene University is authorized to offer distance education courses in that state. It is the student's responsibility to notify the institution of any change in his or her physical location. Refer to the map using the below link to view which states allow online (distance education) outside of California. <https://www.pointloma.edu/offices/office-institutional-effectiveness-research/disclosures>.
12. **PLNU Academic Accommodations Policy:** While all students are expected to meet the minimum standards for completion of this course as established by the instructor, students with disabilities may require academic adjustments, modifications or auxiliary aids/services. At Point Loma Nazarene University (PLNU), these students are requested to register with the Disability Resource Center (DRC), located in the Bond Academic Center. (DRC@pointloma.edu or 619-849-2486). The DRC's policies and procedures for assisting such students in the development of an appropriate academic adjustment plan (AP) allows PLNU to comply with Section 504 of the Rehabilitation Act and the Americans with Disabilities Act. Section 504 (a) prohibits discrimination against students with special needs and guarantees all qualified students equal access to and benefits of PLNU programs and activities. After the student files the required documentation, the DRC, in conjunction with the student, will develop an AP to meet that student's specific learning needs. The DRC will thereafter email the student's AP to all faculty who teach courses in which the student is enrolled each semester. The AP must be implemented in all such courses. If students do not wish to avail themselves of some or all of the elements of their AP in a particular course, it is the responsibility of those students to notify their professor in that course. PLNU highly recommends that DRC students speak with their professors during the first two weeks of each semester about the applicability of their AP in that particular course and/or if they do not desire to take advantage of some or all of the elements of their AP in that course.

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Tentative Schedule: LIVE ZOOM SESSIONS

ITEM #	DATE	REFERENCE	TOPIC
1	8/17		Course Introduction/Review Syllabus
2	8/19	Brigham – CH 1	Financial Management and the Financial Environment
3	8/24	Brigham – CH 2	Risk & Return: Part I
4	8/26	Brigham – CH 3	Risk & Return: Part II
5	8/31	Brigham – CH 9	Financial Planning & Forecasting Financial Statements
6	9/2	Case Study #1	Financial Planning & Forecasting Financial Statements
7	9/7	Brigham – CH 10	Cost of Capital
8	9/9	Brigham – CH 10	Cost of Capital
9	9/14	Case Study #2	Cost of Capital
10	9/16	Brigham – CH 1-3, 9-10	Review Session
11	9/21	Brigham – CH 1-3, 9-10	Exam I
12	9/23	Brigham – CH 12	Capital Budgeting I
13	9/28	Brigham – CH 13	Capital Budgeting II
14	9/30	Case Study #3	Capital Budgeting
15	10/5	Brigham – CH 15/16	Capital Structure
16	10/7	Brigham – CH 11; HBR Article	Business Valuation and Value-Based Management
17	10/12	Case Study #4	Business Valuation and Value-Based Management
18	10/14	Brigham – CH 17	Dividends and Repurchases
19	10/19	Brigham – CH 18	IPOs, Investment Banking and Corporate Restructuring
20	10/21	Brigham – CH 11-13, 15-18, HBR Article	Review Session
21	10/26	Brigham – CH 11-13, 15-18, HBR Article	Exam II
22	10/28	Brigham – CH 21	Working Capital Management I
23	11/2	Brigham – CH 22	Working Capital Management II
24	11/4	Brigham – CH 24	Risk Management
25	11/9	Brigham – CH 25	Bankruptcy, Reorganization and Liquidation
26	11/11	Brigham – CH 26	Mergers, LBOs, and Divestitures
27	11/16	HBR Article	Finance for Emerging Business
28	11/18	Finance Ethics Articles & Other Readings	Finance Ethics
29	11/23	Comprehensive	Review Session
30	WED 12/2 7:30 – 10:00am	Comprehensive	Final Exam