

# FIN 3085 – Intermediate Finance

Course Syllabus – Fall 2021 (8-29-21)

## General Information:

*Instructor:* Daniel Bothe                      *Mobile Phone:* 858-204-3866  
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*Office Hours:* By appointment            *Class time/room:* M/W 8:00 a.m. – 9:15 a.m. FSB 104

## 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):

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 Materials Required:

1. Brigham & Daves, *Intermediate Financial Management*, 11<sup>th</sup> 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 (approximate points available):

<u>Graded Event</u>	<u>Points</u>
Qualitative Questions (10 @ 7 points each)	70
Quantitative Homework (10 @ 13 points each)	130
Case Study Summaries (4 @ 20 points each)	80
Finance Ethics Paper and Debate (Parts 1 & 2)	20
Class Participation/Attendance	75
Mid-Term Exams (2 @ 200 points each)	400
Final Exam (Comprehensive)	<u>225</u>
Total Approximate 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 (12) 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 3 to 7 days prior to the due date of such assignments. **All homework assignments must be turned in (via Canvas) no later than 8:00 am on the date such homework assignment is due. Late homework will not be accepted** as we will review all assignments in class the day they are due. **You must complete all assignments or risk losing approximately 13 points or 1.3% 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, or you will receive a zero (0) for such assignment. 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 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 summary will be posted via Canvas. Case 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 summaries will not be accepted** as we will discuss all cases in class the day case summaries are due. Submit only your own original work for case summaries. A thorough reading and analysis of each case is required to prepare the case 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 and Debate:** A two-part Finance Ethics Paper will be prepared based upon a specific finance ethics topic and related readings assigned by the instructor. A class debate relating to the paper will be conducted in class. More specific details regarding the Paper and Debate will be provided prior to the due date.
- e. **Class Participation / Attendance:** The success of the course will be impacted by the quality of daily participation. Class participation will be based upon your contributions to discussions, including input or questions regarding the readings, discussion questions, case-studies and homework. In addition, you should be prepared to answer questions, and participate in group activities and other in-class assignments as they may arise. Class participation will also be based upon your attendance – please see class policy regarding attendance below.
- f. **Exams:** Every student is to be present for mid-term exams and the final exam at the scheduled times. **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. Please note that successful completion of this class requires taking the final examination **on its scheduled day**. The final examination date and time is posted in the PLNU Portal and on this syllabus below. No requests for early examinations or alternative days will be approved.

## **Class 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 in the classroom.
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](#) for definitions of kinds of academic dishonesty and for further policy information.

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3. **PLNU Attendance Policy:** Regular and punctual attendance at all classes is considered essential to optimum academic achievement. If the student is absent from 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. Also, **be on time to class.** Punctuality is an important attribute in any successful business endeavor. In addition, arriving late can be very disruptive. If you are late to class three times, it will be counted as one absence.
4. **Schedule and Other Changes:** The information in this syllabus 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 in the classroom during class meetings or 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 class 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. **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.
10. **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.
11. **PLNU 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](mailto: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.

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### 12. Tentative Schedule:

MTG #	DATE	CHAPTER/READING	TOPIC
1	8/31		Course Introduction & Syllabus Review
2	9/1	Brigham – CH 1	Financial Management and the Financial Environment
	9/6	<b>LABOR DAY – NO CLASS</b>	
3	9/8	Brigham – CH 2	Risk & Return: Part I
4	9/13	Brigham – CH 3	Risk & Return: Part II
5	9/15	Brigham – CH 9	Financial Planning & Forecasting Financial Statements
6	9/20	Case Study #1	Financial Planning & Forecasting Financial Statements
7	9/22	Brigham – CH 10	Cost of Capital
8	9/27	Brigham – CH 10	Cost of Capital
9	9/29	Case Study #2	Cost of Capital
10	10/4	Brigham – CH 1-3, 9-10	Review Session
<b>11</b>	<b>10/6</b>	<b>Brigham – CH 1-3, 9-10</b>	<b>Exam I</b>
12	10/11	Brigham – CH 12	Capital Budgeting I
13	10/13	Brigham – CH 13	Capital Budgeting II
14	10/18	Case Study #3	Capital Budgeting
15	10/20	Brigham – CH 15/16	Capital Structure
16	10/25	Brigham – CH 11; HBR Article	Business Valuation and Value-Based Management
17	10/27	Case Study #4	Business Valuation and Value-Based Management
18	11/1	Brigham – CH 17	Dividends and Repurchases
19	11/3	Brigham – CH 18	IPOs, Investment Banking and Corporate Restructuring
20	11/8	Brigham – CH 11-13, 15-18, HBR Article	Review Session
<b>21</b>	<b>11/10</b>	<b>Brigham – CH 11-13, 15-18, HBR Article</b>	<b>Exam II</b>
22	11/15	Brigham – CH 21	Working Capital Management I
23	11/17	Brigham – CH 22	Working Capital Management II
24	11/22	Brigham – CH 25	Bankruptcy, Reorganization and Liquidation
	11/24	<b>THANKSGIVING – NO CLASS</b>	
25	11/29	Brigham – CH 26	Mergers, LBOs, and Divestitures
26	12/1	HBR Article	Finance for Emerging Business
27	12/6	Finance Ethics Articles & Other Readings	Finance Ethics Debate
28	12/8	<b>Comprehensive</b>	Review Session
<b>29</b>	<b>WED 12/15 7:30 – 10:00am</b>	<b>Comprehensive</b>	<b>Final Exam</b>