

Course Code & No. - Section: BFIN 351
Course Title (Credits): Principles of Corporate Finance
Term & Year: Spring / 2014
Course Ref. No. (CRN): 10032

Instructor: Professor Richard Gire (pronounced “Jeery”), J.D., M.B.A.
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Office: TCES
Office Hours: TTh 1:00-2:15pm by appointment

Class Meeting Time: TTh 11:30-12:45pm
Location: TCES 106

Prerequisites (from Catalog): ACCT 204 and ACCT 205
Corequisites (from Catalog): None

Course Description

This course provides a comprehensive introduction to financial management in the organization. The course covers topics such as risk and return, cost of capital, working capital management, capital budgeting, securities valuation and dividend policy. The lectures, homework, exams and individual presentations are designed to teach the financial concepts requisite to financially analyze and manage a business.

Student Outcomes

Upon successful completion of this course, a student will be able to:

1. Understand the relationship between risk and return.
2. Evaluate a publicly-traded company's financial performance utilizing ratio analysis.
3. Articulate the difference between operating and financial leverage.
4. Deliver a professional financial analysis presentation using advanced spreadsheet techniques.
5. Calculate present values and future values of single amounts and annuities.
6. Evaluate multiple real-life scenarios involving the time value of money.
7. Value stocks and bonds and calculate the cost of a firm's capital.
8. Calculate the net present value and internal rate of return of competing investment alternatives.
9. Understand the sources of short-term and long-term financing options.

Methods of Assessing Student Performance

Student performance will be assessed using the following:

1. Attendance, level of class preparedness, and participation in class discussion;
2. Unannounced quizzes;
3. Individual company financial presentation;
4. Closed book midterm exam; and

5. Closed book final exam. The final examination date is not negotiable; students need to plan their summer break accordingly.

Instructional Strategies

In-class instruction includes lecture, real world case studies, individual and full class exercises and discussion sessions, outside research, and individual presentations. Material presented is designed to be practical and applicable to real-life finance scenarios.

Required Text

Foundations of Financial Management, Block/Hirt/Danielsen, 14th edition, McGraw-Hill/Irwin, 2011, ISBN 978-0-07-353072-7.

Attendance

Attendance will be taken at the outset of each class session. Full attendance is expected in that class preparation/participation is a significant component of a student's grade. Only two (2) absences are allowed for normal illness, transportation issues, etc. Hence, doctors' notes or other similar documentation are neither required nor accepted. The 3rd and 4th absences will each result in a full grade point deduction from a student's preparation/participation grade. Any student missing five (5) class sessions without severe extenuating circumstances such as hospitalization, death in the immediate family, etc. will earn an "F" or an "Incomplete" in the class. Any student failing both the Midterm and Final Exam will also earn an "F" in the class. Habitual tardiness will not be tolerated and may also result in full grade point deductions from a student's preparation/participation grade. Missed pop quizzes may not be made up.

Class Requirements

Unless other usage is specifically authorized by the instructor, laptop computers may be utilized for note taking and class related research only. Cell phones must be turned off or set to 'silent mode.'

Sanctions for Cheating and/or Plagiarism

The Honor Code

The faculty of SNC believes students must be held to high standards of integrity in all aspects of college life in order to promote the educational mission of the College and to encourage respect for the rights of others. Each student brings to the SNC community unique skills, talents, values and experiences which, when expressed within the community, contribute to the quality of the educational environment and the growth and development of the individual. Students share with members of the faculty, administration and staff the responsibility for creating and maintaining an environment conducive to learning and personal development, where actions are guided by mutual respect, integrity, responsibility and trust. The faculty and students alike must make diligent efforts to ensure high standards are upheld by their colleagues and peers as well as themselves. Therefore faculty and students accept responsibility for maintaining these standards at Sierra Nevada College and are obligated to comply with its regulations and procedures, which they are expected to read and understand.

Consequences of Violating the Student Honor Code

SNC students and faculty share the responsibility for maintaining an environment of academic honesty. Thus, all are responsible for knowing and abiding by the SNC Faculty/Student Honor Code published in the current SNC Catalog. Faculty are responsible for presenting the Honor Code and the consequences of violating it to students at the start of their classes AND for reporting all incidences of academic dishonesty to the Provost. Students are responsible for knowing what constitutes CHEATING, PLAGIARISM and FABRICATION and for refraining from these and other forms of academic dishonesty. Violations of the Honor Code become part of a student's academic record.

1st Offense: Student receives a zero for assignment/exam and counseling with faculty on the honor code, consequences for violating the honor code, and the value of academic honesty in learning.

2nd Offense: Student fails course and receives counseling with faculty on the honor code, consequences for violating the honor code, and the value of academic honesty in learning.

3rd Offense: Student is expelled.

Grading Policy

Grades will be based on the following breakdown:

- 1) Class Attendance/Class Participation/Class Preparation Assignments – 20%
- 2) Unannounced Quizzes – 20%
- 3) Company Financial Presentation – 15%
- 4) Midterm Exam – 20%
- 5) Final Exam – 25%

ADA Accommodations

In accordance with the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973, students with a documented disability are eligible for support services and accommodations. If a student wishes to request an accommodation, please contact the Director of Academic Support Services, Henry Conover, at (775) 831-1314 x7534, hconover@sierranevada.edu or go to the OASIS offices on the third floor of Prim Library within the first week of the semester.

The SNC Email System

The SNC email system is the official communication vehicle among students, faculty members and administrative staff and is designed to protect the confidentiality of student information as required by the Family Educational Rights and Privacy Act of 1974 Act (FERPA). Students should check their college email accounts daily during the school year.

Students have a right to forward their SNC e-mail to another e-mail account (for example, @hotmail or @gmail). However, confidentiality of student information protected by FERPA cannot be guaranteed for SNC e-mail forwarded to an outside vendor. Having email redirected does not absolve a student from the responsibilities associated with official communication sent to his or her SNC email account.

Class Schedule

(subject to change for variations in class progress)

Jan. 21	Class Introduction/Housekeeping Finance Expertise "Test"
Jan. 23	Chapter 1 – Financial Management
Jan. 28	Chapter 2 – Accounting Review
Jan. 30	Accounting Review (cont.)
Feb. 4	SNC Library Financial Resources Excel Spreadsheet Exercises
Feb. 6	Financial Statement Assessment Techniques
Feb. 11	Chapter 3 – Financial Analysis - Ratios
Feb. 13	Financial Analysis – Ratios (cont.)
Feb. 18	Chapter 5 – Operating and Financial Leverage
Feb. 20	No Class
Feb. 25	Advanced Spreadsheet Exercises Company Finance Presentation Assignment
Feb. 27	Chapter 4 – Financial Forecasting
March 4	Chapter 9 – The Time Value of Money Company Finance Presentations Begin
March 6	The Time Value of Money (cont.) Midterm Review Documentation Distribution
March 11	Midterm Review
March 13	Midterm Test
March 18	Spring Break – College Closed
March 20	Spring Break – College Closed

March 25	The Time Value of Money - Review
March 27	Chapter 10 – Valuation and Rates of Return
April 1	Valuation and Rates of Return (cont.)
April 3	Chapter 11 – Cost of Capital
April 8	Chapter 12 – The Capital Budgeting Decision
April 10	The Capital Budgeting Decision (cont.)
April 15	The Capital Budgeting Decision (cont.)
April 17	Chapter 13 – Risk and Capital Budgeting
April 22	Chapter 14 – Capital Markets
April 24	Chapter 15 – Investment Banking
April 29	Chapter 16 – Long-Term Debt
May 1	Chapter 21 – International Financial Management Final Exam Review Documentation Distribution
May 6	Final Exam Review
May 8	No Class – Finals Study
May 13	Final Exam
11:30- 2:30pm	

Mission Statement

Sierra Nevada College graduates will be educated to be scholars of and contributors to a sustainable world. Sierra Nevada College combines the **liberal arts** and **professional preparedness** through an interdisciplinary curriculum that emphasizes **entrepreneurial thinking** and environmental, social, economic and educational **sustainability**.