

<b>Course Code &amp; No. - Section:</b>	BFIN 351
<b>Course Title (Credits):</b>	Principles of Corporate Finance
<b>Term &amp; Year:</b>	Spring / 2020
<b>Course Ref. No. (CRN):</b>	80264
<b>Instructor:</b>	Professor Richard Gire (pronounced “Jeery”), J.D., M.B.A.
<b>Phone(s):</b>	(530) 587-2327
<b>Email:</b>	<a href="mailto:rgire@sierranevada.edu">rgire@sierranevada.edu</a>
<b>Office:</b>	TCES
<b>Office Hours:</b>	TTh 8:00-9:00am, by appointment only
<b>Class Meeting Time:</b>	TTh 1:00-2:45pm
<b>Location:</b>	TCES 106
<b>Prerequisites (from Catalog):</b>	ACCT 204 and ACCT 205
<b>Co-requisites (from Catalog):</b>	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, capital budgeting, securities valuation, dividend policy and the time value of money. 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.

### 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.

**Instructional Strategies**

In-class instruction includes lecture, 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*, Stanley Block/Geoffrey Hirt/Bartley Danielsen, 17<sup>th</sup> edition, © 2019, McGraw-Hill Education, 2017, ISBN 978-1-260-01391-7.

**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. In the event of an absence, students are expected to obtain notes/assignments from their classmates and to keep up with all coursework assigned. 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 3<sup>rd</sup> and 4<sup>th</sup> absences will each result in up to 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 grade point deductions from a student's preparation/participation grade. Missed pop quizzes may not be made up.

**Athletics Excused Absences**

The Athletic Director notifies faculty members via email of student athletes with excused absences for training and competition. This email excuses the student athlete from class attendance, but not from doing the assigned reading or other coursework on time. Student athletes are expected to obtain notes/assignments from their classmates and to keep up with all coursework assigned. Pop quizzes missed as a result of an excused absence will not be factored into a student athlete's grade. Without severe extenuating circumstances, student athletes are only allowed two (2) unexcused absences; hence, a 3<sup>rd</sup> unexcused absence will earn an "F" in the class.

**Class Requirements**

This class is a "no phone zone." Laptop computers/tablets may only be used for note-taking or other authorized class-related purposes. Students using smartphones/earbuds or using laptops/tablets for unauthorized purposes will be subject to expulsion. Each student will need to have a cheap, basic function calculator for quizzes and tests as smartphones will not be allowed.

**Student Pets**

Pets are not allowed in the classroom with the exception of bona fide service animals required by a student with a severe disability such as blindness, deafness, wheelchair restriction, or seizure disorders. Emotional support animals are not allowed without evidence from a licensed mental health professional of a student's psychological or emotional disability. ESA letters available for sale online will not be accepted for such purposes.

**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

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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 members 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. While student collaboration is acceptable and even encouraged, it is important that students recognize the difference between collaboration and plagiarism; the former occurs when students consult each other while each individually prepares an assignment, the latter occurs when one student's work is substantially copied and presented as one's own work. Both the student sharing his/her work and the student copying such work are equally guilty of plagiarism and both will be reported as required by SNC Administration.

1<sup>st</sup> 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.

2<sup>nd</sup> 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.

3<sup>rd</sup> 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 – 15%
- 3) Company Financial Presentation – 20%
- 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](mailto: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

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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 - Spreadsheet Exercise
Jan. 23	Chapter 1 – Goals and Activities of Financial Management
Jan. 28	Chapter 2 - Review of Accounting
Jan. 30	Chapter 2 – Review of Accounting (cont.)
Feb. 4	Chapter 3 - Financial Analysis – Ratios
Feb. 6	Chapter 3 – Financial Analysis – Ratios (cont.)
Feb. 11	Chapter 3 – Financial Analysis – Ratios (cont.) Financial Statement Assessment Techniques Spreadsheet Exercise
Feb. 13	Chapter 4 – Financial Forecasting
Feb. 18	Company Finance Presentation Sign-Ups Chapter 5 – Operating and Financial Leverage
Feb. 20	Chapter 5 – Operating and Financial Leverage (cont.) Company Finance Presentation Instructions/Discussion
Feb. 25	Chapter 9 – The Time Value of Money
Feb. 27	Chapter 9 – The Time Value of Money (cont.) Distribute Midterm Exam Study Guide
March 3	Midterm Review
March 5	Midterm Exam
March 10	Spring Break – No class
March 12	Spring Break – No class
March 17	Chapter 9 – The Time Value of Money (cont.)
March 19	Chapter 10 – Valuation and Rates of Return
March 24	Chapter 10 – Valuation and Rates of Return (cont.)
March 26	No Class – Company Finance Presentation Prep
March 31	No Class – Company Finance Presentation Prep
April 2	Chapter 11 – Cost of Capital Company Finance Presentations Begin
April 7	Chapter 11 – Cost of Capital (cont.)
April 9	Chapter 12 – The Capital Budgeting Decision
April 14	Chapter 12 – The Capital Budgeting Decision (cont.)
April 16	Catch-up Day Distribute Final Exam Study Guide
April 21	Final Exam Review
April 23	Final Exam

## 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**.