

Fin 360: Principles of Financial Management Fall 2023

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Class Times:	Section 03: MW 12:00 PM - 1:15 PM, Room 114 Section 04: MW 1:30 PM - 2:45 PM, Room 114	
Office Hours:	MW 3:30 PM – 4:30 PM (Zoom office hours also available by appointment)	
Admin. Asst.:	Megan Davis, RSB 305, 804-287-1858	
Dept. Chair:	John Earl, RSB 336, 804-289-8589	
Web Page:	https://blackboard.richmond.edu	

The values of the Robins School of Business are: Integrity, Excellence, Student-Focused, Respect, and Collegiality. These values will be upheld in this course by the instructor and all the students under all circumstances – both inside and outside of the classroom.

Course Overview

Finance 360 is the basic financial management course required for all Business majors. The course surveys the basic theories, concepts, techniques, and problem-solving procedures of finance in a global context. Students learn to explain, apply, and evaluate finance tools and concepts. An emphasis is placed on critical thinking and an awareness of the multiple dimensions of business financing, to include social and ethical considerations.

Student learning is evaluated at several different levels. In-class exercises are used to reinforce the discussed materials and evaluate the instant learning outcomes. Problem sets are used to evaluate student understanding of basic definitions, problems, and concepts. More complex problems and applications are used in the scheduled exams to evaluate critical thinking skills.

Course Material

Required Supplements

- Textbook: Students are required to have the following textbook: *“Fundamentals of Corporate Finance”*, Ross, Westerfield, and Jordan, 13th Edition, McGraw-Hill, 2021. Digital options for this textbook are available online [here](#). The Connect Card that accompanies the textbook is NOT necessary.
- Texas Instruments BAII Plus Business Calculator – either version (Business Analyst or Professional)

Suggested Supplements

- *Wall Street Journal* (available online for free through the University)
- Additional materials and other useful information will be posted on the course web page at blackboard.richmond.edu. Important announcements will frequently be made on the web page or via email, so be sure to check this page regularly. It is **your responsibility** to keep yourself informed of important developments pertaining to the course. Keeping your University email account updated is important.

Problem Sets

Problem sets will be assigned regularly as homework for grades, **and are to be submitted at the beginning of the class on the day they are due. Problem sets can be turned in up to two days late with a 10% penalty.** Submissions may be on Blackboard or on paper as indicated by the instructor. Students are encouraged to work together to complete homework assignments as the instructor will not review or help with homework before it is submitted. Pop quizzes may be given if the instructor believes the class is not keeping up with the work.

Mini Group Project

In collaboration with the UR [Spider Business Hub](#), students (in groups) will help a Richmond local business to conduct the financial statement analysis and deliver an written report which will be presented to the business owner(s). More details are to be announced in class.

Exams

There will be two midterm exams and a final exam over the course of the semester. Exams will consist of problems to be solved, short essay-type discussion questions, and multiple choice or other short answer-type questions. The final examination is **comprehensive** – covering the entire course content. The final will be a 3-hour exam and will be given at the University-assigned time.

All final examinations are scheduled by the University Registrar, and final examinations cannot be given outside the examination period without the permission of the Dean. Faculty with multiple sections of the same course have the option of allowing their students to take the exam with any section, although this is limited by classroom space requirements and requires permission from the instructor.

No make-up exam will be given after the regular scheduled exam time. However, should a student become ill, or be placed in quarantine or isolation during the semester, alternative arrangements may be made in terms of assignments and/or grading. If you will be away from campus on [University business](#) on the day of a scheduled exam or quiz, it is your responsibility to schedule a time to take the exam or quiz **before** you leave. **In all other cases, if your absence from an exam is excused, the comprehensive section of the final exam will be used as the make-up exam. If your absence is not officially excused, you will be assigned a grade of zero.**

As a reminder, the Robins School also has an examination policy that states: Students are prohibited access to cell phones or any other communication devices during the course of an in-class examination, unless explicitly allowed by the Instructor administering the test.

Students needing extra time or other **accommodations** for test taking must notify the instructor and provide an accommodation notice **within the first two weeks of the semester.**

Religious Observance Policy

Students needing to miss class because of religious observance should contact the instructor in advance to discuss the absence. The University's full religious observance policy may be found here (<http://registrar.richmond.edu/planning/religious-observance.html>).

Grading

Component	Points
Midterm Exam #1:	100
Midterm Exam #2:	100
Problem Sets:	80
Mini Group Project:	20
Final Exam:	150
Comprehensive – 75 pts	
New Material –75 pts	
(Note: Distribution of pts on final exam is subject to change)	
Total Points Possible for Semester	450

The instructor uses a basic scale for determining final grades in the class, as follows:

>= 92%	A		[72, 78%)	C
[90, 92%)	A-		[70, 72%)	C-
[88, 90%)	B+		[68, 70%)	D+
[82, 88%)	B		[62, 68%)	D
[80, 82%)	B-		[60, 62%)	D-
[78, 80%)	C+		< 60%	F

The instructor does not curve individual grades. However, should the class perform significantly below expectations on a particular midterm exam, a curve may be applied to that exam, at the instructor's discretion. **The instructor does not round up the final total grade.** If you received 91.99% as the total grade, you will receive an A- instead of an A.

Class Policies

Attendance: Students are expected to attend **all** classes, assuming they are well. Your learning and your grade depend upon your regular attendance and participation. **Attendance may be taken in each class according to University policy.** Students must attend the section for which they are enrolled. If you know in advance about a valid reason for missing class, the instructor should be notified in advance by email. **For policy on make-up exams, see previous section on "Exams."**

Any student who is suspected of having or is diagnosed with Covid-19, or is a close contact of someone who is diagnosed with or suspected of having Covid-19, should not attend class, instead they should isolate or quarantine. Such students should not attend class, will not be required to provide formal documentation from a health care provider, and will not be penalized for absences.

However, students must:

- Notify instructors in advance of the absence if possible.
- Contact the Student Health Center if sick.
- Keep up with classwork.
- Submit assignments digitally on time whenever possible.
- Work with their instructor to try to reschedule any missed assignments.
- Stay in close communication with their instructors.

This attendance policy puts everyone on their honor. It requires that faculty trust the word of their students when they say they are ill, and it requires that students report the reason for their absence truthfully. Falsely reporting a reason for an absence is an honor code violation.

Tardiness and Courtesy: Students should make every reasonable effort to be in class on time (both physically and mentally). Students are also expected to remain in class, unless there is an emergency, as departures are disruptive. On the topic of courtesy, students are asked not to eat in class if possible.

Student Participation: Business classes require active learning. Everyone in the class is encouraged to express themselves and ask questions and will be given adequate opportunities to do so over the course of the semester in this class. Students will also be called upon in class to provide answers to the questions from the instructor. A good class will have as much give and take between the students and the instructor as time will permit. If the student still has questions after class, they should see the instructor during office hours.

Class Preparation: Students are highly encouraged to read relevant textbook materials before class sessions. Class time will be focused on ensuring comprehension, clarification of concepts and subtleties, and working problems. Students are also encouraged to take the initiative to review some of the leading business periodicals for material related to the various course topics (see, e.g., Wall Street Journal, Business Week, Fortune). The Wall Street Journal is available to each student online for free through the University.

To be successful in this course you should expect to devote no less than 10-14 hours each week in class, reading and studying the material, preparing assignments and working practice problems. Attending class and doing homework will not be enough to do well on the exams in this class – you must do additional work on your own!

Honor Code: The high standards and responsibilities laid out in the University’s Honor Code will be respected in all classes. Special attention should be paid to Article V, Honor Code Violations, which includes the following:

Article V: Honor Code Violations

A. Cheating – Cheating is the use or attempted use of assistance not expressly authorized by the professor or other responsible authority in order to gain an unfair academic advantage. Cheating includes the providing of assistance not expressly authorized. Cheating may occur without one’s understanding that one’s actions constitute cheating. In collaborative assignments, “work” shall be defined as each individual’s contribution to the assignment.

Cheating includes, but is not limited to, such actions as:

1. The giving of unauthorized aid.
2. Unauthorized use of knowledge of the contents of present tests. “Knowledge of the contents” is defined as communication about the test with students who already have completed it or examination of the test paper itself.
3. Use of or attempted use of unauthorized materials before submission of a test.
4. Unauthorized use of an electronic resource beyond the use expressly permitted by the professor or other responsible authority.
5. Use of testing materials from past testing periods not specifically distributed by the

professor for use in the current testing period. This includes, but is not limited to, scoop tests and/or tests from test banks/websites.

- a. A scoop test shall be defined as a graded or ungraded test form a previous testing period.
- b. A test bank shall be defined as an unauthorized collection of scoop tests and testing materials from previous testing periods.

Any incident of academic dishonesty in this class will be assigned a score of zero.

The full Honor Code can be found here: <https://studentdevelopment.richmond.edu/student-handbook/honor/statutes.pdf>.

AACSB Objectives for Principles of Financial Management

AACSB Objectives Outline Reference	Course Objectives
O1.2, O3.2	Understand the basic types of financial management decisions, the role of the financial manager, the goal of financial management, and agency conflicts among different stakeholders in a corporation that influence this goal.
O1.1, O2.2, O4.1	Understand the difference between accounting income and cash flow; calculate a firm's cash flows from its financial statements.
O1.1, O2.2, O4.1	Understand how to interpret common ratios to perform Financial Analysis from a firm's financial statements.
O1.1, O2.2	Understand the concept and determinants of growth in the firm.
O1.1, O2.2	Understand the concept of time value of money and its importance in valuation and use the concepts in all forms of time value calculations.
O1.1, O2.2	Understand the features and types of bonds and calculate the value of fixed income securities.
O1.1, O2.2	Understand the characteristics of equity securities and calculate the value and returns of stocks; understand the basics of the stock markets.
O1.1, O2.2	Understand the issues involved in capital budgeting and use the different criteria and cash flows to make valuation decisions of capital projects.
O1.1, O2.2	Understand the concept and impact of diversification and the CAPM model.
O1.1, O2.2	Understand the concept of a firm's cost of capital and how it is used in capital budgeting.

AACSB Core Learning Goals & Objectives for the Undergraduate Business Program:

Learning Goal 1-Our graduates will be able to analyze and think critically to solve complex business problems.

- O1.1 Students will produce solutions to business problems using appropriate analyses.
- O1.2 Students will identify core issues, key stakeholders and their perspectives, and evaluate and apply evidence in support of a coherent position or recommendation.

Learning Goal 2-Our graduates will be effective communicators.

- O2.1 Students will make a professional and effective oral presentation.
- O2.2 Students will write a cogent analysis of a business or economic situation.

Learning Goal 3-Our graduates will possess the interpersonal skills needed to work effectively in a global and diverse business environment.

- O3.1 Students will demonstrate an ability to work in teams and collaborate with others.
- O3.2 Students will demonstrate an ability to make decisions considering the ethical implications and the impact on multiple stakeholders.

Learning Goal 4-Our graduates will demonstrate knowledge across the primary functional areas of business.

- O4.1 Students will demonstrate an understanding of the functional areas of business in accounting, economics, finance, management and marketing.

Tentative Class Schedule

Week	Dates	Tentative Schedule and Exam Dates
#1	Aug 28	Intro to the course & Intro to Corporate Finance (Ch. 1)
	Aug 30	
#2	Sep 4	Financial Statements and Cash Flows (Ch. 2)
	Sep 6	Financial Statement Analysis (Ch. 3)
#3	Sep 11	Working Capital (Ch. 18.2)
	Sep 13	Financial Forecasting (Ch. 4 through 4.3)
#4	Sep 18	9/8 at 5pm End No-Record Drop Period and End Audit Option
	Sep 20	
#5	Sep 25	Exam I
	Sep 27	
#6	Oct 2	Time Value of Money and Applications (Ch. 5 and Ch. 6)
	Oct 4	
#7	Oct 9	Capital Investments and Cash Flows (Ch. 10 through 10.4)
	Oct 11	
#8	Oct 16	Fall Break - No Class
	Oct 18	
#9	Oct 23	Capital Investments and Cash Flows (Ch. 10 through 10.4)
	Oct 25	Capital Investments Criteria (Ch. 9)
#10	Oct 30	
	Nov 1	Exam II
#11	Nov 6	11/3 Last Day to Withdraw from Class
	Nov 8	
#12	Nov 13	Bond Valuation (Ch. 7)
	Nov 15	Stock Valuation (Ch. 8)
#13	Nov 20	
	Nov 22	Thanksgiving - No Class
#14	Nov 27	Capital Market Efficiency (Ch. 12 through 12.6)
	Nov 29	
#15	Dec 4	Risk, Return, and Security Market Line (Ch. 13)
	Dec 6	Cost of Capital (Ch. 14)
#16	Final Exams Dec 11 – 19	Fin 360-03: Thursday 12/14 from 9:00 AM-12:00 PM Fin 360-04: Tuesday 12/12 from 9:00 AM-12:00 PM

Note: This is a tentative course outline that is somewhat optimistic. Chapters may be re-sequenced, and parts of some chapters may be dropped, depending on our progress throughout the semester.

If you experience difficulties in this course, do not hesitate to consult with me. There are also other resources that can support you in your efforts to meet course requirements.

Academic Skills Center (asc.richmond.edu): Academic coaches assist students in assessing and developing their academic and life-skills (e.g., critical reading and thinking, information conceptualization, concentration, test preparation, time management, stress management, etc.). Peer tutors offer assistance in specific subject areas (e.g., calculus, chemistry, accounting, etc.) and will be available for appointments in-person and virtually. Peer tutors are listed on the ASC website. Email [Roger Mancastroppa \(rmancast@richmond.edu\)](mailto:Rmancast@richmond.edu) and [Hope Walton \(hwalton@richmond.edu\)](mailto:Hwalton@richmond.edu) for coaching appointments in academic and life skills.

Boatwright Library Research Librarians: (library.richmond.edu/help/ask/ or 289-8876): Research librarians help students with all steps of their research, from identifying or narrowing a topic, to locating, accessing, evaluating, and citing information resources. Librarians support students in their classes across the curriculum and provide individual appointments, class library instruction, tutorials, and [research guides](http://libguides.richmond.edu) (libguides.richmond.edu). Students can [contact an individual librarian](#) (library.richmond.edu/help/liaison-librarians.html) or ASK a librarian for help via email (library@richmond.edu), text (804-277-9ASK), or [chat](http://library.richmond.edu/chat.html) (library.richmond.edu/chat.html).

Career Services: (careerservices.richmond.edu or 289-8547): Can assist you in exploring your interests and abilities, choosing a major or course of study, connecting with internships and jobs, and investigating graduate and professional school options. We encourage you to schedule an appointment with a career advisor early in your time at UR.

Counseling and Psychological Services (caps.richmond.edu or 289-8119): Assists currently enrolled, full-time, degree-seeking students in improving their mental health and well-being, and in handling challenges that may impede their growth and development. Services include brief consultations, short-term counseling and psychotherapy, skills-building classes, crisis intervention, psychiatric consultation, and related services.

Disability Services (disability.richmond.edu) The Office of Disability Services works to ensure that qualified students with a disability (whether incoming or current) are provided with reasonable accommodations that enable students to participate fully in activities, programs, services and benefits provided to all students. Please let your professors know as soon as possible if you have an accommodation that requires academic coordination and planning.

Speech Center (speech.richmond.edu or 287-6409): Assists with preparation and practice in the pursuit of excellence in public expression. Recording, playback, coaching and critique sessions offered by teams of student consultants trained to assist in developing ideas, arranging key points for more effective organization, improving style and delivery, and handling multimedia aids for individual and group presentations. Remote practice sessions can be arranged; we look forward to meeting your public speaking needs.

Writing Center (writing.richmond.edu or 289-8263): Assists writers at all levels of experience, across all majors. Students can schedule appointments with trained writing consultants who offer friendly critiques of written work.

CONTRACT

By enrolling in Finance 360 taught by Prof. Liu in the Fall of 2023, I am agreeing to the terms of this syllabus, which will act as a contract.

1. **Honor Code:** I agree to abide by all terms of the Honor Code. In particular:
 - a) No material from previous administrations of the course is to be used in any way for this class, unless authorized. This includes videos, class notes, homework assignments, quizzes and exams. Content from previous administrations of this course is only authorized if given by Professor Liu.
 - b) I realize that any incident of academic dishonesty in this class will be assigned a score of zero.**
2. I am aware that assignments will receive a 10% late penalty if submitted within two days past due, and will not be accepted after two days past due. Additionally, I will submit all assignments as instructed (by hard copy or blackboard submission).
3. I realize that there is no ability to make up missed exams or quizzes, unless I am away on University-excused business. In such a case, the exam or quiz to be missed must be taken in advance of the scheduled date.
4. I understand that the instructor will not assist with homework assignments prior to their submission, so I will not seek assistance from her for these. Instead, I can work together with my peers on homework assignments and will seek their help, without copying their work.
5. I will read the textbook either before or after learning new material in class (or both), and prior to seeking the instructor's help on new material. **I understand that my grade will suffer if I do not read the textbook.**
6. I will do my best to attend all classes. In the event of an absence, I will get class notes from a classmate before seeking the instructor's help. I realize that if I miss class, I may miss valuable information in terms of content, assignments, deadlines and scheduling.
7. I realize that my instructor will do her best to teach me the Principles of Financial Management, and I will do my best to learn it.

Name (Print): _____

Signature: _____