

**Monfort College of Business**  
**Semester Course Syllabus**

**(2009-2010)**

COURSE PREFIX/TITLE: BAFN 370--Business Finance

Sem. Hrs. 3  
Ed. Cap. 40

CATALOG DESCRIPTION: Prerequisites: BAAC 221 and BAFN 291; ECON 203 and ECON 205. Juniors or above. Examines the basic principles and concepts of financial management. Topics include valuation, risk, financial analysis and planning, working capital management, cost of capital, capital structure and capital budgeting.

PREREQUISITES: BAAC 221 and BAFN 291; ECON 203 and ECON 205. Juniors or above.

COURSE OBJECTIVES:

1. Examine the basic principles and concepts of financial management and the financial markets.
2. Establish a basic understanding of the role of the financial manager in domestic and multinational corporations
3. Understand and analyze financial statements using ratio analysis.
4. Develop a thorough understanding of time value of money and its applications to financial and real asset valuation.
5. Analyze financial instruments with a primary emphasis on stock and bond valuation techniques.
6. Obtain an understanding of the relationship between risk and return, and the principles of asset diversification.
7. Provide an in-depth study of capital budgeting methodologies, including internal rate of return, net present value, profitability index, and payback period.
8. Develop an understanding of the cost of capital, its use in financial decision-making, and risk-adjustment techniques.
9. Establish a basic understanding of working capital management and capital structure.

COURSE TOPICS:

Approx.  
50 Min.  
Periods

Topics Covered

Description

10

The Financial Environment

An overview of the role of financial manager; the legal, operating, and tax environment of the firm; the role of financial markets and institutions in the financial system; global aspects of financial management in a multinational firm; term structure of interest rates.

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Basic Financial Concepts

Study of the time value of money, risk and return, and bond and stock valuation (including both discounted cash flow and relative techniques.)

Approx.50 Min.PeriodsTopics CoveredDescription

5	Cost of Capital, Leverage, and Capital Structure	The study of the cost of capital, financial leverage, and capital structure.
6	Long -Term Investment Decisions: Capital Budgeting	An introduction to capital budgeting techniques and cash flow estimation.
7	Techniques of Financial Planning Analysis	An analysis of financial statements and a study of the short-term and long-term financial planning processes (included the preparation of a cash budget).
3	Working Capital Management	An overview of working capital management and sources of short-term financing.
<hr/> 45	Total	

COURSE REQUIREMENTS: Examination(s), homework, projects and quizzes as needed.

TYPE OF GRADING: Letter

SUGGESTED TEXT AND/OR SUPPLEMENTS: (Note: These books are only suggested. Prior to purchasing books and other materials, students need to check with the class instructor for their book and class material choices.)

Besley, S. and Brigham, E. F. (2006). *Principles of finance* (3<sup>rd</sup> ed.). \_\_\_\_\_: Thomson South-Western.

ASSESSMENT STATEMENT: The Monfort College of Business may collect data in this course that will be used to assess student progress toward our program learning goals and objectives. Individual student performance information will be kept confidential; however, this data may be disseminated in an aggregate form to professional groups and through research publications. If you do not wish your performance in this class to be included in research about overall student performance (beyond the accreditation process), please inform your instructor in writing of this intent.

COMPUTER UTILIZATION: An introduction to problem solving utilizing Excel or other spreadsheet program is required in the course. These programs are used for solving problems associated with valuation, capital budgeting, etc. Students will also utilize the S&P Research Insight database.

LIBRARY UTILIZATION: Students are encouraged to use the Michener Library collections and online subscription information resources to supplement readings and to complete assignments. Library databases include *Business Source Premier*, *Business & Company Resource Center*, *LexisNexis*

*Academic*, and many others available at <http://library.unco.edu/articlefinder.htm>. The business reference librarian, Annie Epperson, holds regular Kepner office hours. Find her contact information at <http://www.unco.edu/library/personnel/epperson.htm>.

**GLOBAL DIMENSION COVERAGE:** Global issues are integrated throughout the topics covered in the course. In addition, specific coverage of multinational financial management is required. Topics covered include areas such as foreign exchange risk, political risk, foreign sources of funds, etc.

**ETHICAL DIMENSION COVERAGE:** Ethical issues in finance such as insider trading, the role of the financial manager, and environmental and safety considerations when making capital budgeting decisions are examined through class discussions, videotapes, and/or cases.

**DISABILITY STATEMENT:** Any student requesting disability accommodation for this class must inform the instructor giving appropriate notice. Students are encouraged to contact Disability Support Services at (970) 351-2289 to certify documentation of disability and to ensure appropriate accommodations are implemented in a timely manner.

**CLASSROOM TECHNOLOGY GUIDELINES:**

Each student is required to review and become familiar with the following classroom technology guidelines: <http://www.mcb.unco.edu/Technology/Classroom%20Technology%20Guidelines.pdf>

Food is not allowed in classrooms. Only drinks in a container with a screw top lid are allowed.

**KENNETH W. MONFORT COLLEGE OF BUSINESS STATEMENT**

The Kenneth W. Monfort College of Business students are expected to conduct themselves in accordance with the highest standards of academic honesty. Cheating, plagiarism, illegitimate possession and disposition of examinations, alteration, forgery, or falsification of official records and documents, and similar acts or the attempt to engage in such acts are grounds for disciplinary action. This action can include the following in addition to any University disciplinary action:

1. A failing grade for a particular assignment.
2. A failing grade for a particular course.
3. Suspension from the College of Business Administration.
4. Expulsion from the College of Business Administration.

Students are expected to complete all prerequisites for a business class prior to the first day of class. Students may not concurrently enroll in a class and its prerequisite(s) unless it is expressly stated in the bulletin that the class is a co-requisite. Any exception to this policy must be approved by the Director of the School offering the class.

Students must submit original works for assignments required in this class. This includes term papers, cases and other course requirements. A student who submits a work that was previously submitted to another class without prior approval from the instructor is in violation of this policy. A student who violates this policy may receive a failing grade for the assignment, a failing grade for the class, and face termination of his/her business degree program.

MONFORT COLLEGE OF BUSINESS STUDENT CODE OF PROFESSIONAL CONDUCT:

Monfort College of Business students represent the professional and academic interests of the entire MCB & UNC communities. Accordingly, MCB expects all students to behave in a professional manner and adhere to high ethical standards in every business class and in every activity connected with the Monfort College of Business. This professional behavior is required not only in the classroom but also in all MCB-related interactions such as e-mails, conferences and use of technology.

MCB students should exhibit respectful behavior in classes. This behavior includes arriving on time to class, staying in class until the lecture ends, having the discipline to stay engaged in class, turning-off or silencing cell phones and pagers while in class, refraining from text-messaging, and avoiding coming to class wearing clothing that is unduly provocative or has written messages that are rude, insensitive or obscene. MCB students should engage in respectful behavior in all activities where they act directly or indirectly as a representative of the MCB. Respectful behavior creates a more desirable, civilized, and productive learning environment, and it models behavior that is both productive and pleasant when students transition from the classroom to the workplace.

MCB students should master and apply the fundamental skill of preparing and sending class or university related e-mails that are properly written, show professionalism and communicate a clear message. E-mails containing profanity, spelling mistakes, punctuation errors, or poor composition evidence sloppiness and show disrespect to the recipient. MCB students should use proper forms of address when communicating orally or in writing with faculty or staff (i.e., Dr. Smith, Professor Jones, Ms. Abbot, etc.). If a student does not know how to address a faculty member, he or she should ask.

This code of professional conduct complements, but does not replace, the Honor Code of the Monfort College of Business or the Honor Code of the University.