



# LINCOLN UNIVERSITY

## BA 140 – Fundamentals of Finance

### Spring 2015 Course Syllabus

Course Title: Fundamentals of Finance  
Course No. BA 140  
Units: 3  
Class Hours: 45 lecture hours

Instructor: Dr. Xiaoyan Xu  
Contact: [xxu@lincolnuca.edu](mailto:xxu@lincolnuca.edu)  
Office Hours: W 10:30-11:30am  
Semester: Spring 2015

#### **Textbook and Others**

Suggested textbook: *Fundamentals of Corporate Finance*, 3<sup>rd</sup> Ed. (2014), Berk, DeMarzo and Harford, Prentice Hall. ISBN: 978-0-13-350767-6.

Students are required to be enrolled in Canvas. Lecture sides, assigned projects and other course-related materials will be posted on Canvas. Assignments will be turned in on Canvas. Please enroll using this URL: <https://canvas.instructure.com/enroll/GKWDXG>

Students will need to use Excel in class and for projects. A calculator (general, financial, or graphing) is needed for tests.

#### **Course Description**

A consideration of financial control at the corporate management level with special emphasis on the policies and practices required to place and control the sources and uses of capital. Emphasis will be placed on capital management and evaluation of alternative opportunities. Also examined are such matters as valuation, cash flow, funds acquisition, long-term financing and budgets as tools for decision-making.

#### **Learning Objective**

The course stresses the importance of data analysis and its use in problem solving and decision-making. We will focus on the corporation and its internal and external financial environment and relationships. A good deal of time will be spent on analytical and evaluative techniques that, when applied to the firm, yield useful information for decision-making purposes. The firm will also be studied in terms of its capital structure and the influence this can have on cost of capital and investment decisions. This analysis will be extended to incorporate the influence of financial market characteristics and conditions on financial decision-making. Finally, the firm will be viewed as a totality stressing the importance of integrating financial policy and strategy

with plans for growth and/or diversification. In a broad sense, the course enables the student to relate to the functions of the financial officer in playing a key role in carrying out the objectives of an organization.

### Overview

Reading assignments from the text provide background concepts and analytical tools useful in evaluating assigned cases.

Project assignments are used primarily for purposes of providing practice in the application of financial analytical tools and techniques to business situations and the development of useful information for consideration in management decision-making.

Problem assignments enable the development of a more clear understanding of the application of financial and analytical tools and techniques.

### Classroom Protocol

Students are expected to attend each class meeting and be prepared to discuss the assigned text, problems and case materials. Students are expected to be on-time for scheduled class meetings and to stay for the entire class period. Students who come to class late will not be admitted until the break period. Eating is not allowed in the classroom. **The use of cell phones is prohibited.** Laptops are allowed in class, however, surfing the internet is not permitted.

### Grading

Class participation	10%
2 assigned projects	20%
Comprehensive Project	30%
Mid-term examination	20%
Final examination	<u>20%</u>
	100%

Your final grade for the course is based on the distribution below:

95-100	A	84-86	B	74-76	C	60-64	D
90-94	A-	80-83	B-	70-73	C-	< 60	F
87-89	B+	77-79	C+	65-69	D+		

**Note: late penalty will be applied for late submissions (10% for every 30-minute late).**

## **Course Schedule**

*This schedule is a general plan of the course. Deviations may be necessary. However, exam dates are fixed.*

<b>Week</b>	<b>Date</b>	<b>Topics, Readings, Assignments, Deadlines</b>
1	1/21	Course overview and introduction
2, 3	1/28, 2/4	Financial statement analysis; Time value of money
4, 5	2/11, 18	Discounted Cash Flow Valuation
6, 7	2/25, 3/4	Capital budgeting
8, 9	3/11, 18	Midterm exam; Spring recess
10, 11, 12	3/25, 4/1, 4/8	Bond and stock valuation
13, 14	4/15, 22	the CAPM model; Estimating the cost of capital
15, 16	4/29, 5/6	Final presentation; final exam

**Update:** 1/23/2015