

BU 310 Syllabus
Business Finance
Summer 2021

Instructor: Tim Murray, PhD
Office: 227 Scott Shipp Hall

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Office Hours: By appointment

Required Material

- Access to Microsoft Excel
- Graphing or financial calculator

Textbook

Jeffrey S. Smith. “[Introduction to Business Finance: Techniques & Tools.](#)” Version 2.3

Prerequisites

BU 210 with a C or better

Course Description

This course places emphasis on the financial decision making of small-businesses. We will make use of lectures to learn general principals of finance that can be applied to any small business. We will use current events, sports, and pop-culture to relate topics to the real world.

The topics covered in this course will include:

- Interpreting the financial statements and calculating various financial ratios
- The Time Value of Money
- Portfolio Analysis
- Choosing an appropriate capital structure for a firm
- Various techniques of capital budgeting
- Inflation and risk in budgeting decisions
- Estimating the market value of an ongoing business
- Bankruptcy and reorganization
- Environmental Accounting

By the end of the course you will have a better understanding of how managers make decisions. This course will teach you to ask say “We should pursue project X because of the following metrics. . .” as oppose to “We should pursue project X because I think. . .”

Grading and Assignments

Homework	20%
Excel Assignments	10%
3 Midterm Exams	13.3% each
Final Exam	30%

Grading Scale

A	90-100	B	80-89	C	70-79	D	60-69	F	0-59
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Homework Assignments

Due to the condensed nature of a summer course, multiple homework assignments will be assigned each week throughout the course. Assignment due dates will be posted on Canvas, late assignments will receive a 50% reduction in points. Homework will be a large part of how you learn in this class. You are welcome to work on the homework in groups. Solutions to the homework assignments will be posted to Canvas after the due date. The lowest homework grade will be dropped. Homework is graded on completeness using the following scale:

Grade	Description	% Grade
✓+	Attempted every problem and showed all work	100
✓	Attempted most problems and showed all work	80
✓-	Attempted some problems or did not show most work	60
✗	Does not meet criteria for ✓-	0

Excel Assignments

There will be two Microsoft Excel assignments, one covering statistics and the other finance. Late Excel assignments will not be accepted.

Exams

There will be three midterm exams and a comprehensive final exam. Midterm exam dates will be announced in class and on Canvas. For each exam, you will be allowed one side of one standard index card for formulas. You will be provided an index card for this purpose and will turn it in with the exam. The point of this class and the exams is not to test your memorization ability, you will always have Google, books, and the internet at your disposal while working. Exams are designed to test your ability to apply the correct metric to a problem and be able to know how to solve a problem, not regurgitate a formula you spend the night before trying to memorize.

Students requesting an alternative time must inform me prior to the exam.

Work for Grade Policy and Standards of Conduct

It is your responsibility to carefully read and understand these policies both from VMI and the Department. Copies of these policies are available on Canvas.

Students with Disabilities

VMI abides by Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 which mandate reasonable accommodations are provided for all Cadets with documented disabilities. If you have a registered disability and may require some type of instructional and/or examination accommodations, please contact me early in the semester so that I can provide or facilitate provision of accommodations you may need. If you have not already done so, you will need to register with the Office of Disabilities Services, the designated office on Post to provide services for Cadets with disabilities. The office is located on the 2nd floor of the VMI Health Center. Please call or stop by the office of LTC Sarah Jones, Director of Disabilities Services, for more information, 540-464-7667 or email at: jonessl10@vmi.edu.

Statement of Diversity and Inclusion

VMI values human diversity in all its richly complex and multi-faceted forms, whether expressed through race and ethnicity, culture, political and social views, religious and spiritual beliefs, language and geographic characteristics, gender, gender identities and sexual orientations, learning and physical abilities, age, and social or economic classes. We respect the value of every member of the class, and everyone in the class is encouraged to share their unique perspective as an individual, not as a representative of any category. Multicultural and intercultural awareness and competencies are key leadership skills. College is supposed to challenge assumptions and to provide new and sometimes uncomfortable ways of looking at issues. If you feel uncomfortable regarding content or perspectives that are presented or discussed by me, your professor, guest speakers, or other cadets, please contact me immediately so that we can discuss those issues. I also ask that you let me know your preferred gender pronoun. Your suggestions on how to incorporate diversity in this course in a meaningful way are appreciated and encouraged.

Course Topics

The following is a tentative list of concepts and topics that will be discussed throughout the course. Any changes be announced on Canvas.

Topic	Textbook
Introduction to Financial Management	Chapter 1
Financial Markets, Institutions, and Securities	Chapter 2
Financial Statements and Cash Flow	Appendix C
Analysis of Financial Statements	Chapter 3
Supply Chains and Working Capital Management	
Exam 1 (June 2)	
The Time Value of Money	Chapter 4
Bonds, Bond Valuation, and Interest Rates	Chapter 5
Capital Budgeting and Cash Flows	Chapter 11
Bankruptcy and Reorganization	
Exam 2 (June 11)	
Risk and Return	Chapter 7
Portfolios, Diversification, and Efficiency	Chapter 8
Risk and Project Evaluation	Chapters 10-11
Agency Conflicts and Corporate Governance	
Environmental Accounting	
Exam 3 (June 23)	
Final Exam (June 25th)	