

BU 310 Syllabus

Business Finance

Summer 2022

Instructor: Tim Murray, PhD
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Office Hours: By appointment

Required Material

- Access to Microsoft Excel
- A graphing or financial calculator

Textbook

Jeffrey S. Smith. “[Introduction to Business Finance: Techniques & Tools.](#)” Version 4.1

Prerequisites

BU 210 and EC 203, with a C or better

Course Description

The purpose of this course is to expose you to the financial decision making ideas and techniques of a firm. The goal is for you to gain exposure to concepts and experience using the basic analytical techniques that underpin success for most business endeavors. We will use current events, sports, and pop-culture to relate topics to the real world.

Course Objectives

By the end of the course, you should be familiar with the following topics and concepts:

1. The use of financial statements and ratios
2. The determination and application of interest rates
3. Security valuation and the relationship between risk and return
4. The capital structure of a firm and estimating the cost of financing capital
5. Evaluate the viability of a corporate project and whether such a project should be undertaken or rejected

Grading Scale

Letter Grade	Numerical Range	Meaning
A	90-100	Excellent performance
B	80-89	Good performance
C	70-79	Average performance
D	60-69	Below average performance
F	0-59	Unsatisfactory performance

Assignments

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

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 will be submitted on Canvas as a PDF prior to the start of class.

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 provided with the necessary formulas. 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.

Classroom Expectations

Teaching will mostly be conducted via lecture and use of the white board. I encourage you to engage in class, be curious, and ask questions. I encourage you to take handwritten notes during class. [Multiple studies](#) show that writing notes by hand improves learning.

While the class will be a learning environment that at times involves dialogue and group work, I expect you to remain professional, polite, and civil at all times. This includes but is not limited to:

- Listening when someone else is talking and not talking over someone else.
- At times we will converse with each other when discussing policy or current events. It is okay to disagree as long as these conversations are done with respect. Lack of respect and civility can result in being asked to leave the classroom.
- During lecture, do not engage in side-bar conversations that will be a distraction.

Attendance Policy

The department subscribes to VMI's "30% rule." No categories of absences (academic, athletic, guard, 3.2 cuts, etc.) are exempt from that percentage. Cadets will be notified upon reaching 20% absences. Upon reaching 30% absences, the cadet is referred to the Dean for appropriate action.

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
The Time Value of Money	Chapter 3
Interest Rates	Chapter 4
Bonds and Bond Valuation	Chapters 5
Exam 1 (June 1)	
Financial Statements and Cash Flow	Appendix C
Analysis of Financial Statements	Chapter 6
Stock Valuation	Chapter 7
Bankruptcy and Reorganization	
Exam 2 (June 10)	
Risk and Return	Chapter 8
Portfolios, Diversification, and Efficiency	Chapter 9
Cost of Capital	Chapter 10
Capital Budgeting and Cash Flows	Chapter 12
Risk and Project Evaluation	Chapters 11 & 13
Agency Conflicts and Corporate Governance	
Exam 3 (June 22)	
Final Exam (June 24)	

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: jonesl10@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.