San José State University
College of Business/Department of Accounting & Finance
BUS1 170, Fundamentals of Finance, Sections 3 and 4, Fall 2019

Course and Contact Information

Instructor: Laura Roden
Office Location: BT 852
Telephone: (415) 269-0101 (email preferred)
Email: Laura.Roden@SJSU.edu (use Canvas email if possible)
Office Hours: MW by appointment between 7:15-8:45am and 12:00-1:15pm
Class Days/Time:
   Section 3 MW from 10:30-11:45am
   Section 4 MW from 1:30-2:45pm
Classroom:
   BBC 301
   BBC 107
Prerequisites:
   Prerequisite: BUS 21 or BUS 122A, ECON 1A, ECON 1B and BUS 90.
   Upper division standing. Lower Division Business Pool or Business Minor.
   Passage of the Writing Skills Test (WST) or ENGL/LLD 100A with a C or better (C- not accepted), and completion of Core General Education are prerequisite to all SJSU Studies courses. Completion of, or co-registration in, 100W is strongly recommended. A minimum aggregate GPA of 2.0 in GE Areas R, S, & V shall be required of all students."

SI Peer Leaders: Ryan Finn, ryan.finn@sjsu.edu

Course Format

This course will include classroom lectures, textbook and other readings, and online research. Class attendance is mandatory. Lectures will typically employ powerpoint slides which are for guiding class discussion and do not replace the homework material or class attendance; slides may or may not be posted after the lecture. All students are required to access the Canvas system on a regular basis for homework assignment details, announcements, grading information and course related email. Graded homework is assigned for most class sessions and must be submitted by the specified due date/time in advance of class. Many homework assignments must be submitted through Canvas using the Lockdown Browser function. Additionally, students are required to bring a tablet or laptop running the Canvas Lock Down Browser to the classroom to take Midterms and Final Exam on the scheduled dates. Free or inexpensive loaner laptops are available from several university resources, see instructions posted in Canvas Files.

This semester, additional academic support will be offered in the form of “SI Sessions” (Supplemental Instruction) led by a student peer who has taken and excelled in this course. There will usually be two online sessions per week, each an hour in length. Dates, times and access instructions will be posted in Canvas.
Announcements Supplemental Instruction is not required, is not graded, and is not a substitute for class attendance or assigned course work.

**Faculty Web Page and Messaging**

Some course materials such as initial syllabus, handouts and assignment instructions, etc. can be found on my public faculty web page at www.sjsu.edu/people/laura.roden for the convenience of those students not yet registered. All registered students should refer to the individual Assignments and Quizzes that are posted and updated on the Canvas learning management system course website at http://sjsu.instructure.com. These will be updated throughout the semester.

Students are responsible for regularly checking with the messaging system through MySJSU at http://my.sjsu.edu as well as the Canvas learning management system for:

- Updated homework assignments and exam dates
- Postings of homework related materials
- Class announcements
- Feedback “comments” on specific homework and test submissions
- Email correspondence with instructor and student assistants

**Course Description**

The corporate finance function and its relationship to other decision-making areas in the firm; the study of theory and techniques in acquisition and allocation of financial resources from an internal management perspective.

*This course is very information intensive. It requires learning and memorizing a large amount of business vocabulary and many mathematical formulas, most of which will be new to you. It requires a disciplined study approach from the beginning, since each concept builds on the previous one. Success in this course requires attendance at lectures, self-grading of homework study problems and timely completion of homework assignments, as well as prompt outreach for assistance from the professor and/or tutorial centers as soon as any questions arise. There are frequent graded quizzes designed to incentivize students to stay current with all assignments. It is recommended that this course NOT be attempted in conjunction with an otherwise heavy academic and/or work schedule, or with insufficient/outdated prerequisites.*

**Course Goals**

**BS/BA Program Learning Goals**

**Goal One: Business Knowledge**
Understand basic business principles and demonstrate discipline-specific competencies as applied to local and global environments.

**Goal Two: Communication**
Communicate ideas clearly, logically, and persuasively in oral and written format, using technology appropriately.

**Goal Three: Ethical Awareness**
Recognize, analyze, and articulate solutions to ethical issues that arise in business.

**Goal Four: Leadership, Teams and Diversity**
Comprehend the challenges and opportunities of leading and working in diverse teams and environments.
Goal Five: Critical Thinking
Comprehend, analyze, and critically evaluate complex and unstructured qualitative and quantitative business problems, using appropriate tools and technology.

Goal Six: Innovation
Recognize, analyze, and articulate strategies for promoting creativity and innovation.

Required Texts

Textbook

One textbook is required:

*Foundations of Finance, 9th edition*
Authors Keown/Martin/Petty
Publisher Pearson January 4, 2016
ISBN-10: 0134083288

The book is available at the bookstore and from online sellers such as Amazon.
You may buy a used edition: you do NOT need the online Access Code.
If you buy a different edition, you may find different page numbers and practice problems.

If you are “rusty” on your accounting prerequisites, it is highly recommended that you review your old accounting course materials on financial statements and ratios, or obtain and study a reference textbook such as:

*Understanding Financial Statements, any edition*
Authors Ormiston and Fraser
Publisher Pearson

Other Readings:

**LinkedIn Learning Pre-Algebra Course**: all BUS 170 students are required to complete the online LinkedIn Learning Pre-Algebra Course by the end of the second week of the semester and show proof of obtaining the course of completion “badge.” Detailed instructions on accessing this course are posted in Canvas Assignments and Canvas Files.

**Bloomberg Certifications**: two assignments require use of the Bloomberg Terminals which are provided free of charge at various SJSU locations. These have specific hours of operation: students are responsible for arranging their schedules to ensure completion of these assignments by the due dates indicated in Canvas Assignments. Detailed instructions for completing the Bloomberg assignments are posted in Canvas Assignments and Canvas Files.

**Internet Research**: several assignments require internet research using search engines and websites such as Google and Yahoo Finance; none require purchase of paid content.

Additional required reading material and study aids will be posted on “Canvas Files” throughout the semester: see individual Assignments posted on Canvas for instructions on what must be completed by specified assignment dates.

**Other equipment / material**

**Canvas Lock Down Browser** is required for submission of most homeworks and for all Segment Quizzes (midterms) and the Final Exam. Students may use either their own Lockdown Browser enabled device (laptop or ipad) or borrow one from the University. A list of University resources for borrowing laptops is posted in Canvas Files.
Excel and Calculators: Students are responsible for bringing either an Excel-enabled device or a Financial Calculator to every class to participate in practice exercises. If you choose to use a calculator, you will need a Financial Calculator or a programmable calculator equipped with Time Value of Money programs. During Midterms and the Final Exam, only the Excel program embedded in the test or non-networked calculators may be used (smart phones, watches and other networked calculators are not permitted.)

I recommend one of these two calculators, which will be inexpensive tools that will last your entire career:

HP10bii (easiest to learn to use)

HP 12c (recommended for students who intend to pursue a career in finance).

These are widely available new and used at book stores, office supply stores, and online.

Basic Business Calculations: Students are responsible for familiarizing themselves with basic Excel and/or calculator operations as summarized in the Basic Business Calcs document posted in Canvas Files. Students should print this document and practice the calculations as they are assigned.

Course Study Guide: A Vocabulary/Concept Outline for this course is posted online in “Canvas Files” as well as on my public SJSU faculty website. Students should print this outline, bring it to every class, make notes on it to ensure understanding of each item as we cover it, and ask questions immediately if unclear. It should also be used to take notes while reading homework assignments. If this practice is followed, at the end of each course segment students will have a thorough knowledge of the material to be tested. This is the only study guide provided for the course.

Course Requirements and Assignments

SEGMENT MIDTERMS are major tests administered in a proctored environment (classroom or AEC).

Segment I: General Finance Topics
Segment II: Financial Reporting & Analysis
Segment III: Time Value of Money & Capital Budgeting
Segment IV: Equity Valuation and Capital Structure

HOMEWORK: Homework is assigned for every class and requires submission either on paper or on Canvas, depending on the assignment. Homework assignments must be submitted in the format and by the due date and time indicated in Canvas; it is students’ responsibility to pay attention to homework due dates/times. No emailed homeworks will be accepted. LATE homeworks will only be accepted at my discretion, and will be subject to a minimum 50% point deduction. Homework requiring an essay or write-up will be graded primarily on content, specifically focusing on a) what you learned and b) how it is relevant to the concepts you are studying in this course. Write-ups must be proofread to business correspondence standards: write-ups that contain spelling, grammar, vocabulary usage, or other errors will be subject to a significant point deduction depending on severity of the issues. Writing help is available from several University resources detailed below; if you wish to learn more about these, see me immediately, do not wait to lose points.

ANY form of cheating or plagiarism on write-ups will result in a ZERO point score AND will be reported to the University. Studying with other students is encouraged and can be a very helpful, but whatever you submit as your own work must be your own thoughts in your own words. If you submit work that is substantially identical to that of another student or a published source, you will receive a zero grade unless you are able to explain how you developed your answers.

Final Examination
A cumulative, comprehensive final exam will be given on the date published by the University.
Grading Information

Grading will be based on the following, subject to any posted changes:
4 Segment Quizzes x 25 points each = 100 points
2 Bloomberg Certifications and write-ups x 15 points each = 30 points total
1 Distinguished Speaker writeup = 10 points
2 Career Readiness assignments x 5 points each = 10 points total
Miscellaneous homeworks approximately 75-125 points
1 comprehensive Final Exam = 50 points
LinkedIn Learning Pre-Algebra course completion and minimum 70% score on Canvas Quiz: 10% of total course grade.
Additional quizzes/points may be added if needed to focus attention on sub-topics, which may change the relative assignment weights.

Scores and correct answers on tests taken electronically are available shortly after their due date and remain accessible for the rest of the semester as a study resource.

Assignments submitted in paper form are not “handed back”: students are encouraged to come to office hours to review and discuss.

Dates of Segment Exams and other assignments shown on this syllabus are initial targets; actual due dates will be based on class progress through each Segment, and will be updated on Canvas. Makeups of missed exams will only be offered at my discretion in the documented event of an unforeseen emergency which physically prevented the student from taking an exam. I also may choose to substitute an alternative point-earning opportunity in lieu of a makeup test.

NOTE that no Segment Quizzes (midterms) or the Final Exam may be taken outside of a proctored environment (classroom or AEC) unless I specifically approve it in writing in advance. Attempts in violation of this policy will receive zero points with no opportunity to “make up” the test.

Determination of Grades

The grade for the course will be curved based on the performance of all students in my sections of this course this semester. The curve-to-date will be published periodically, usually within a week after each Segment Quiz, so that students can gauge their class standing and take timely action to improve their performance if they choose. No “extra credit” opportunities will be offered to any individual student. “Plus” and “minus” grades will be used at my discretion in the final grading if I feel they are warranted.

Classroom Protocol

Class will be conducted in a manner reflecting professional business meeting protocol. Disruptive, distracting, disrespectful, or unsafe activity will not be tolerated, and will result in expulsion from the classroom, grade point deduction, or both.

Lucas College and Graduate School of Business: Program Goals and Classroom Policy:
www.sjsu.edu/cob/Students/policies/index.html.

University Policies

Per University Policy S16-9, success in this course is based on the expectation that students will spend, for each unit of credit, a minimum of 45 hours over the length of the course (normally 3 hours PER UNIT, PER WEEK) for instruction, preparation/studying, or course related activities, including but not limited to internships, labs,
and clinical practica. Other course structures will have equivalent workload expectations as described in the syllabus.

Per University Policy F69-24, students should attend all meetings of their classes, not only because they are responsible for material discussed therein, but because active participation is frequently essential to insure maximum benefit for all members of the class.

Per University policy S17-1, faculty members are required to have a culminating activity for their courses, which can include a final examination, a final research paper or project, a final creative work or performance, a final portfolio of work, or other appropriate assignment.

Per University Policy S16-0, university-wide policy information relevant to all courses, such as academic integrity, accommodations, etc., will be available on Office of Graduate and Undergraduate Programs’ Syllabus Information Web Page at http://www.sjsu.edu/gup/syllabusinfo/. Make sure to review these policies and resources.

Dropping and Adding

Add priority will be given to (a) Finance majors and (b) graduating seniors, unless other priorities are assigned by the University. You must attend the first 3 class sessions in order to be considered for an add code. A “make up assignment” will be given to students who receive add codes to make up points missed before they were added.

Students are responsible for understanding the policies and procedures about add/drop, grade forgiveness, etc. Add/drop deadlines can be found on the current academic year calendars document on the Academic Calendars webpage at http://www.sjsu.edu/provost/services/academic_calendars/. The Late Drop Policy is available at http://www.sjsu.edu/aars/policies/latedrops/policy/.

SJSU Writing Center

The SJSU Writing Center is located in Clark Hall, Suite 126. All Writing Specialists have gone through a rigorous hiring process, and they are well trained to assist all students at all levels within all disciplines to become better writers. In addition to one-on-one tutoring services, the Writing Center also offers workshops every semester on a variety of writing topics. To make an appointment or to refer to the numerous online resources offered through the Writing Center, visit the Writing Center website at http://www.sjsu.edu/writingcenter.

SJSU Counseling and Psychological Services

The SJSU Counseling and Psychological Services is located on the corner of 7th Street and San Carlos in the new Student Wellness Center, Room 300B. Professional psychologists, social workers, and counselors are available to provide confidential consultations on issues of student mental health, campus climate or psychological and academic issues on an individual, couple, or group basis. To schedule an appointment or learn more information, visit Counseling and Psychological Services website at http://www.sjsu.edu/counseling.

Lucas College and Graduate School of Business:

Mission: We are the institution of opportunity in Silicon Valley, educating future leaders through experiential learning and character development in a global business community and by conducting research that contributes to business theory, practice and education.
**BUS1 170/Fundamentals of Finance, fall 2019, MW 10:30am & 1:30pm**

**IMPORTANT:** this is a draft schedule of assignments and tests dates; it will be modified prior to and during the school semester based on availability of materials, pace of learning, and other factors. 

**ALWAYS FOLLOW THE ASSIGNMENT AND EXAM SCHEDULE POSTED IN CANVAS, not this preliminary schedule, which is only provided for general informational purposes to give students an idea of course pace and content.**

**Course Schedule**

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<th>Week</th>
<th>Date</th>
<th>Topics, Readings and Assignments</th>
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| 1-2  | Sat, Aug 31     | **Topic: Pre-algebra Review**  
This assignment counts for 10% of your total grade in the course: this is designed to encourage all students to master these basic quantitative methods immediately if you have not already done so, because they are foundational to understanding the rest of the material in the course. Preparation:  
1. Click on the “Linkedin Learning Pre-algebra Course” assignment in Canvas and complete the course, which is estimated to take from 1-3 hours depending on your current level of proficiency. Linkedin will notify the professor when you have completed the course. There is not a “score” for the course, but 100% completion is required in order to earn ANY points for this assignment.  
2. Refresh your knowledge of how to calculate exponents and roots using a calculator or Excel. See “Pre-algebra Study Resources” in Canvas Files for a list of helpful resources.  
3. Take the “BUS 170 Common PreAlgebra Quiz” posted in Canvas Practice Quizzes. You are permitted to take this quiz THREE times; the highest score will be used for your grade. It is recommended that you make the first attempt a few days before the due date, to allow yourself time for review and study before your repeat attempts. Grading is ALL OR NOTHING: a score of 70% or more will be adjusted to 100%, a score of less than 70% will be adjusted to 0%.  
**NOTE:** your final grade for this assignment will be manually posted by the professor in Assignments after you complete both the Linkedin module and the Quiz.  
**Deliverables:**  
1. Linkedin proof of course completion  
2. Completion of Canvas Quiz.  
**Due:** by midnight on the second Saturday after the start of the semester. |
| 7    | Due by Mon, Sept 30 | **Topic: Bloomberg Certification 1: FIXED INCOME**  
Preparation: Review the Bloomberg instructions in Canvas “Files.” Set up a login for BMC on a Bloomberg terminal INCLUDING THE COURSE CODE (you will not get credit if you don’t log in with the course code.) The list of terminal locations and hours as well as the course code are in the instructions. The module is estimated to require 2-3 hours of work, and may be paused/resumed as you wish. Due to the very long lead time for this assignment, NO late submissions will receive credit: you are responsible for finding enough time to complete the module, anticipating there will likely be equipment problems, overcrowding, or other unforeseen emergencies. You may start the modules right away, there are no prerequisites. After completing the credential, write a minimum 250 word review |
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<td>of your experience.</td>
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<td>Deliverable: (1) Complete the FIXED INCOME module credential; before you log out, check to make sure your Bloomberg account has recorded it as “completed” and given you a final score. (2) Submission of writeup.</td>
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<td>Grading of each module assignment is a total of 15 possible points based on both your score and the quality of your writeup, as follows:</td>
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<td>Up to 10 points available based on score (example: if you received a score of 75% on Bloomberg, you would receive 7.5 points) plus up to 5 points for writeup.</td>
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<td>Write-ups should address (a) what you learned and (b) how it is relevant to the concepts you are studying in this course. Writeups should be written to</td>
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<td>professional business standards; write-ups that contain errors in spelling, grammar or vocabulary usage will be subject to a point deduction ranging from 10-50% depending on severity of the issues. Note: ANY form of plagiarism on write-ups will result in a ZERO point score AND it will be reported to the University.</td>
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<td>ALSO NOTE: regardless of how you scored on the modules within the quiz, you will not get credit for any of your work on this assignment unless you submit the writeup. This is my way of hearing what you learned “in your own words” and making sure you didn't copy the answers from someone else.</td>
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<td>Format: Bloomberg will send me scores on module. Submit writeup through Canvas “Text” submission area for this assignment.</td>
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<td>Due: As soon as possible and no later than due date.</td>
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<td>IMPORTANT: some students have found that it is possible to register multiple times with different user names, in order to re-take the module quizzes after having been shown the correct answers. In order to encourage and reward actual learning of the material rather than just finding out the correct answers, only the FIRST reported score will be used for grading.</td>
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<td>11</td>
<td>Due by Thurs, Oct 31</td>
<td>Topic: Bloomberg Certification 2: EQUITIES</td>
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<td>Preparation: Follow same process as for Fixed Income module, but now do the EQUITIES module.</td>
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<td>Deliverable: completed Equities certification and writeup.</td>
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<td>Format: Bloomberg will send me your score for the certification. Submit the writeup through Canvas “Text” under this assignment.</td>
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<td>Due: as soon as possible and no later than due date.</td>
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<td>Topic: University Distinguished Speaker Review</td>
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<td>Every student must attend one preapproved Distinguished Speaker event, present proof of attendance, and submit a writeup within 1 week of the event. The following Distinguished Speaker events are approved for this semester:</td>
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<td>• Monday, Sept 16, 6pm, Student Union, Successful Female Entrepreneurs panel, hosted by IDEAS Club</td>
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<td>• Thursday, Oct 17, 6pm, Student Union, Ms. Niki Wong, Small Business Lending chief at TechCU, workshop on debt financing, hosted by IDEAS</td>
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<td>• Xdate, Xtime, Xlocation, Speaker name, hosted by (TBA)</td>
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<td>Attendance at more than one event is encouraged, but will not earn extra points.</td>
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<td>Preparation:</td>
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<td>1. Research the speaker’s background: use Google, LinkedIn, and websites of companies they have worked for to find articles describing their background and business experience. Think about what expertise they might have relevant to what</td>
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<td>Wed Aug 21</td>
<td>Topic: Course Orientation; SI Peer Leader Introduction; Structure and Goal of the Corporation</td>
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| 16   | Sun Dec 1  | Topic: Set up Professional LinkedIn Profile  
Preparation: Set up or update a LinkedIn account with a profile suitable for recruiters and potential employers to learn about you. Profile must include at minimum these elements:  
Businesslike photo; Short title describing your strengths in up to 10 words; Short overview, including your contact information (email and/or phone number) in the text; Relevant (ie, business related) job experience; Education. Must be 100% proofread for grammar and spelling.  
Deliverable: Canvas text submission of link to your profile so I can check it.  
Format: Canvas Text submission  
Due: by midnight on last day of Thanksgiving break (but can do any time sooner) |
| 16   | Mon Dec 2  | Topic: Post your profile in SJSU Handshake  
Preparation: Set up or update an SJSU Handshake account with your profile. Must be 100% proofread for grammar and spelling.  
Deliverable: Printout of your profile so I can check it.  
Format: Paper  
Due: At start of class the day after Thanksgiving break. |
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| 2    | Mon Aug 26 | **Topic: Forms of Organization; Key Concepts in Finance; Basic Business Calcs**  
Preparation:  
(1) Read Chapter 1 (Introduction to the Foundations of Financial Management.)  
   Make sure you can answer questions such as: What is meant by “cash is king”? What is meant by “time value of money”? What is meant by the “risk/return tradeoff”? What is meant by an “efficient market”? What is meant by “agency problem”, and how does this relate to the “goal of the firm”? How is “double taxation of dividends” calculated?  
(2) Study the Forms of Organization document posted in Canvas Files. What are the main differences between the 6 forms of organization (sole proprietorship, general partnership, limited partnership, C corp, S corp, LLC) relative to these characteristics: number and type of owners, liability, and taxation?  
(3) Internet research: look up “B Corps”. What are they? How many of them exist? What are some examples? How does this information relate to the “goal of the corporation”?  
(4) Study and practice calculation #1 (growth rates) on the Basic Business Calculations document until you have mastered it.  
Deliverable: Homework Check including Basic Business Calcs 1.  
Format: Canvas Quiz  
Due: By midnight, the night before class. |
Preparation:  
1. Read Chapter 2 only through Learning Objectives 1 (pp 22-28). Then do the following internet research:  
2. Read Wikipedia’s entry titled “Capital Market.” What does the word Capital mean in this context? Why is it called a Market: who are the sellers? What products are they selling? Who are the buyers? Who owns/manages the Markets?  
3. Get a feel for the world banking system: find a list of the 10 largest banks in the world measured by total assets, expressed in U.S. $. If the numbers are not |
in U.S. dollars, you must convert them so you can understand which are actually larger or smaller. What did you learn from this exercise? Be sure to note the source and date of your data, and bring your work to class to discuss.

4. Look up “National Securities Exchanges” on the SEC.gov website. How many national securities exchanges are registered in the U.S.? How many had you heard of before? In what ways do you think they differentiate themselves from each other?

Deliverable: Homework Check Quiz
Format: Canvas Quiz
Due: By midnight, the night before class.

3 Wed Sept 4

Topic: Capital Markets con’t
Preparation: Go to the website for S&P Dow Jones Indices; the url is us.spindices.com/index-finder. Download and print the “Index Finder Homework” file and follow the instructions on it to complete the assignment, and hand it in at the start of class.

Deliverable: Index Finder Homework
Format: Paper
Due: At start of class

4 Mon Sept 9

Topic: Securities and the Stock Market
Preparation:
(1) Learn how to read stock market information: go to Yahoo Finance, look up any company listed on NYSE or NASDAQ that interests you, and learn how to read and explain what all the statistics on the “Summary” page mean, as if you were teaching another person about the stock. Make sure you understand ALL vocabulary and abbreviations on this page. NOTE: only choose a company that is listed on the NYSE or NASDAQ; if it is not listed on one of these exchanges, it will not contain complete information.

(2) Download the PWC Stock Exchange Overview report from Canvas and read through it. Find the data in this report on (a) number of listed companies, and (b) total market capitalization (make sure you know what this means) for the exchanges discussed. Calculate the average market cap per listed company for each of these exchanges. (Note: capitalization may also be spelled with an “s” instead of a “z”.) If you were to rank these exchanges from largest to smallest, how would the list look different if you used (a) total market cap, (b) total number of companies listed, or (c) average market cap per company? What factors do you guess make these statistics different for these different exchanges?

Deliverable: Homework Check Quiz
Format: Canvas Quiz
Due: By midnight, the night before class.

THE FOLLOWING ADDITIONAL ASSIGNMENT IS ONLY FOR STUDENTS WHO HAVE BEEN GIVEN ADD CODES:

Topic: Make-up Assignment for Students Adding BUS 170
Preparation: Watch the movie “The Big Short” (available on Netflix, Amazon, YouTube and other sites) and read the two associated articles uploaded in the Make-up Assignment folder in Canvas Homework File.

Deliverable: Minimum 250 word essay about what you learned from this assignment (movie and readings) as it relates to what we have studied in Segment
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| 4    | Wed Sept 11 | **Topic:** Segment 1 Review and Overflow Day; Basic Business Calcs 2  
Deliverable: Basic Business Calcs Quiz 2  
Format: Canvas Quiz  
Due: By midnight, night before class |
| 5    | Mon Sept 16 | **Topic:** Study for Segment 1 Midterm  
Preparation: Review readings, homework problems, including Calculator Problems 1 and 2.  
Deliverable: Segment 1 Midterms  
Format: Canvas Quiz  
Due: In class |
| 5    | Wed Sept 18 | **Topic:** Income Statements  
Preparation:  
1. Read pp. 54-61 (Income Statement) and pp 80-83 (computing Income Taxes); also review the example of income tax computation on page 84. Do not memorize the tax rates, just learn how to calculate taxes if tax rates are provided.  
2. Download the “Outline of Income Statement Structure” from Canvas “Files” and memorize it: test yourself by seeing if you can re-create it on a blank piece of paper without looking. Make sure you understand the meaning of each line item.  
3. Do Study Problems 3-1, 2, 16, 17, and 18. Note: for the problems that ask you to calculate taxes, use the tax rates on Table 3-6 in the book.  
4. Online research: download the most recent 10-K for one of these companies: Starbucks, McDonalds, Walmart, or Tiffany’s (NOTE: for McDonalds and Starbucks, the latest available is Fiscal Year 2018; for Tiffany, and Walmart, it is Fiscal Year 2019). Print out the Income Statement and compare it to the “Outline” and the text book examples to make sure you have the right report. NOTE: select the PDF format of financial statements: it almost always has the easiest to read printer layout.  
5. With a colored marker, HIGHLIGHT the (a) name of the statement, and (b) the date of the statement. Bring it to class with you and SHOW IT TO ME before class (at morning office hours or before class starts) in order to receive the 2 homework points. NOTE: you must bring the actual Income Statement from the 10-K, you may NOT use the abbreviated statements from the annual report Highlights, Selected Financial Results, Yahoo Finance, Bloomberg or other sites because they do not have complete information: part of this exercise is learning how to find financial statements. You will not get points unless you have the correct statement. Also make sure you have the correct year: we need to all be looking at the same numbers; if you have the wrong year you will not get the homework points and you will get wrong answers on
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<th>Week</th>
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<th>Topics, Readings and Assignments</th>
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| 6    | Mon Sept 23 | **Topic:** Balance Sheets  
**Preparation:**  
1. Read pp 61-69 (Balance Sheets).  
2. Download the “Outline of Balance Sheet Structure” from Canvas “Files” and memorize it: test yourself by seeing if you can re-create it on a blank piece of paper without looking. Make sure you understand the meaning of each line item.  
4. Online research: using the same 10-K you downloaded for the last class, print out the Balance Sheet and compare it to the “Outline” and the text book examples to make sure you have the right report.  
5. With a colored marker, HIGHLIGHT the (a) name of the statement, and (b) the date of the statement (year). Bring it to class with you and SHOW IT TO ME before class (at morning office hours or before class starts) in order to receive the 2 homework points. NOTE: you must bring the actual Balance Sheet from the 10-K, you may NOT use the abbreviated statements from the annual report Highlights, Selected Financial Results, Yahoo Finance, Bloomberg or other sites because they do not have complete information: part of this exercise is learning how to find financial statements. You will not get points unless you have the correct statement. Also make sure you have the correct year: we need to all be looking at the same numbers; if you have the wrong year you will not get the homework points and you will get wrong answers on the quiz.  
**Deliverable:** (a) Homework Check quiz, and (b) 2 points for bringing correct statement to class.  
**Format:** Canvas quiz, plus Paper printout of statement  
**Due:** (a) Complete Homework Quiz by midnight before class, and (b) show me paper statement by start of class. |
| 6    | Wed Sept 25 | **Topic:** Cash Flow Statements  
**Preparation:**  
2. Download the Cash Flow Statement Outline from Canvas “Files” and memorize it: test yourself by seeing if you can re-create it on a blank piece of paper without looking. Make sure you understand the meaning of each line item.  
4. Online research: using the same 10-K you downloaded for the last class, using the same 10-K you downloaded for the last class, print out the Cash Flow Statement and compare it to the “Outline” and the text book examples to make sure you have the right report.  
5. With a colored marker, HIGHLIGHT the (a) name of the statement, and (b) the date of the statement (year). Bring it to class with you and SHOW IT TO ME before class (at morning office hours or before class starts) in order to receive the 2 homework points. NOTE: you must bring the actual Balance Sheet from the 10-K, you may NOT use the abbreviated statements from the annual report Highlights, Selected Financial Results, Yahoo Finance, Bloomberg or other sites because they do not have complete information: part of this exercise is learning how to find financial statements. You will not get points unless you have the correct statement. Also make sure you have the correct year: we need to all be looking at the same numbers; if you have the wrong year you will not get the homework points and you will get wrong answers on the quiz.  
**Deliverable:** (a) Homework Check quiz, and (b) 2 points for bringing correct statement to class.  
**Format:** Canvas quiz, plus Paper printout of statement  
**Due:** (a) Complete Homework Quiz by midnight before class, and (b) show me paper statement by start of class. |
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<td>7</td>
<td>Mon Sept 30</td>
<td>ME before class (at morning office hours or before class starts) in order to receive the 2 homework points. NOTE: you must bring the actual Cash Flow Statement from the 10-K, you may NOT use the abbreviated statements from the annual report Highlights, Selected Financial Results, Yahoo Finance, Bloomberg or other sites because they do not have complete information: part of this exercise is learning how to find financial statements. You will not get points unless you have the correct statement. Also make sure you have the correct year: we need to all be looking at the same numbers; if you have the wrong year you will not get the homework points and you will get wrong answers on the quiz. Deliverable: (a) Homework Check quiz, and (b) 2 points for bringing correct statement to class. Format: Canvas quiz, plus Paper printout of statement Due: (a) Complete Homework Quiz by midnight before class, and (b) show me paper statement by start of class.</td>
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<td>7</td>
<td>Wed Oct 2</td>
<td>Topic: Ratio Analysis 1 Preparation: 1. Read Chapter 4 (Evaluating Financial Performance). (Note: there are a few typos and missing data on Figure 4-1, if you are wondering about it.) 2. Using the “Ratio Homework Answer Sheet” posted in Canvas Files (it shows the name and formula for each ratio and has blank spaces for you to do the calculations), calculate each of these ratios for the company whose financial statements you have been studying in this segment (McDonald’s, etc.) and think about what they might be telling you. Another useful reference document you should print is the “Ratio Study Sheet” posted in Canvas “Files,” this will help you think about the ratios as you learn them. 3. Note that these posted files include a few ratios not mentioned in chapter 4; they also exclude a few ratios that are mentioned in the book; you are responsible for learning only the ratios on these posted documents. These are important basic business ratios that you will need to memorize. *Info is not available to calculate these three ratios, so learn the formulas and meanings but don’t bother trying to calculate: (a) Fixed Payments Coverage, (b) Stock Split, (c) Reverse Stock Split. Deliverable: Homework Check Quiz Format: Canvas quiz Due: complete Homework Quiz by midnight before class.</td>
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| 8    | Mon Oct 7  | **Topic:** Overflow/review day for Segment II  
Preparation:  
1. Study Vocabulary and Concept Outline for Segment II.  
2. Review the vocabulary and calculations on the 3 financial statement “outlines.” Test yourself using “Blank Financial Statement Practice Templates”: if you can write down all the major components of each financial statement from memory, in the correct order, you have mastered them.  
4. Review all ratios on the “Ratio Study Sheet”: if you write down the formula for each financial ratio correctly, and know what makes it go up or down and which is preferable, you have mastered them.  
5. Read “Working Capital as a Source or Use of Funds” in Canvas Files and make sure you understand it.  
**Deliverable:** Homework Check Quiz  
**Format:** Canvas quiz  
**Due:** complete Homework Quiz by midnight before class. |
| 8    | Wed Oct 9  | **Topic:** Study for Segment II Midterm  
Preparation: This quiz will focus on the Financial Statements and the Ratios.  
1. Study Vocabulary and Concept Outline for Segment II.  
2. Memorize the vocabulary and calculations on the 3 financial statement “outlines.”  
3. Test yourself using “Blank Financial Statement Practice Templates”: can you write down all the major components of each financial statement from memory, in the correct order?  
4. Memorize all ratios on the “Ratio Study Sheet”: Can you write down the formula for each financial ratio correctly? Do you know what each ratio tells you about a business?  
**Deliverable:** Segment II Midterm  
**Format:** Canvas quiz  
**Due:** In class |
| 9    | Mon Oct 14 | **Topic:** Risk & Return and Time Value of Money, and Calculator Problem 3  
Preparation:  
1. Read pp 152-185 (Time Value of Money); practice all examples using your calculator; if you are having any calculator problems get help ASAP so you won’t miss quiz points. NOTE: you will be using your financial calculator, not Excel, in this class so you can skip the parts giving Excel instructions if you like. ERROR ALERT: on p. 177, in the example headed “Using a Financial Calculator,” the little box that says “I/Y” is a typo. This box should say “N”.  
2. Do “Testing Your Calculator” problem # 3 (TVM) posted in Canvas to make sure you know how to use your calculator correctly.  
**Deliverable:** Homework Check Quiz  
**Format:** Canvas quiz  
**Due:** complete Homework Quiz by midnight before class. |
| 9    | Wed Oct 16 | **Topic:** Calculating TVM, and Calculator Problem 4  
Preparation:  
1. In chapter 5, do problems 1-6, 9-11, 13-17, 19-29, 31-32, 37-40, 42-43, 45-46, |
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| 10   | Mon Oct 21 | **Topic:** Net Present Value, IRR and Payback, and Calculator Problem 5  
**Preparation:**  
1. Read pp 327-355 (Capital Budgeting); practice all examples using your calculator.  
2. Learn “Test your Calculator” problem 5 and make sure you know how to calculate NPV and IRR on your calculator.  
**Deliverable:** Homework Check Quiz  
**Format:** Canvas quiz  
**Due:** complete Homework Quiz by midnight before class. |
| 10   | Wed Oct 23 | **Topic:** Bond Valuation  
**Preparation:**  
1. Read pp 236-259 (Bonds). Make sure you memorize all bond-related vocabulary (see Vocabulary and Concept Outline) and know how to calculate Price, Par Value, Face Value, Yield, Coupon Payment, and number of compounding periods until maturity.  
2. Do problems 7-2, 6, 12, 17, 22-25, and 27. NOTE typo in #17: should say interest is 6% annual, 3% semiannual.  
**Deliverable:** Homework Check Quiz  
**Format:** Canvas quiz  
**Due:** complete Homework Quiz by midnight before class. |
| 11   | Mon Oct 28 | **Topic:** Interest Rates & Yields; the Yield Curve  
**Preparation:**  
1. Read pp 34-47 (Rates of Return). NOTE: you are NOT responsible for learning the “Fisher Effect” equations discussed on p. 41.  
2. Do problems 2-1, 2, 3, 4, 5, 9, 11, and 12  
3. Online research: do a search for the “the Yield Curve” and study the examples that come up. What are its axes? What data makes up the points that define the curve? What does it tell the financial world that makes it such an important tool? Using internet search, look up the 3 Month Treasury Bill yield and the 10 Year Treasury Note yield as of December 1, 1980, and as of December 1, 2016. Draw a simple, 2-point Yield Curve for each of these dates using this data (you will be drawing two Yield Curve graphs: one for 12/1/80 and one for 12/1/16). What are the important ways in which they are different? What did you learn from this exercise? NOTE: finding this data is a key part of the assignment. If you don’t find it at first, keep looking. It exists and is free and public information.  
**Deliverable:** One page showing 2 graphs you have drawn: the 12/1/1980 yield curve and the 12/1/2016 yield curve. You must label each axis, data point coordinates (numbers), and the source of each piece of data (which website or
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<td>content provider you got the information from) in order to receive credit.</td>
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<td>Format: Paper</td>
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<td>Due: Hand in at start of class</td>
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| 11   | Wed Oct 30 | Topic: Segment III Overflow/Review day  
1. Continue to practice TVM calculations: make sure you can successfully solve all the Calculator Problem 3 practice problems in the Test Your Calculator document and assigned homeworks.  
2. Continue to practice converting a non-annual rate of return to an annual rate of return, using either algebra or your calculator: make sure you can successfully solve all the Calculator Problem 4 practice problems in the Test Your Calculator document.  
3. Continue to practice Bond price and yield calculations: make sure you can successfully solve all the assigned homework problems in the Bonds chapter. |
|      |            | Deliverable: Homework Check Quiz  
Format: Canvas quiz  
Due: complete Homework Quiz by midnight before class.                                                                                                                                                               |
| 12   | Mon Nov 4  | Topic: Study for Segment III Midterm  
Preparation: Study Vocabulary and Concept Outline for Segment III. Review lectures, homeworks and quizzes.  
Deliverable: Segment III Midterm  
Format: Canvas quiz  
Due: In class                                                                                                                                                        |
| 12   | Wed Nov 6  | Topic: Diversification, Beta and CAPM  
Preparation:  
1. Read pp 196-225 (Risk and Return). Note, you DON’T need to learn to calculate Standard Deviation, but you do need to understand how it is used in finance as an important measure of risk.  
2. Do problems 6-18, 19, 20, 21, and 22. Note: published solution for problem 22 has a typo: it should say Rm (Return on the Market) = 12.8%, Market Risk Premium = 9.3%.  
3. Additional CAPM Practice Problems are also posted in Canvas Files. Also note: this book uses the symbol Kce for “cost of equity” to clarify that they are calculating the cost of Common Stock (cs). The symbol Ke for “cost of equity” is more universally used and that is how we will write the CAPM formulas for this class. They mean the same thing and are solved the same way. |
|      |            | Deliverable: Homework Check Quiz  
Format: Canvas quiz  
Due: complete Homework Quiz by midnight before class.                                                                                                                                                               |
| 13   | Mon Nov 11 | Veterans Day holiday                                                                                                                                                                                                         |
| 13   | Wed Nov 13 | Topic: Diversification, Beta and CAPM con’t and Calculator Problem 6  
Preparation:  
1. Do chapter 6 problems 17, 23, and 24.  

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<th>Week</th>
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<td>3.</td>
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<td>Do all the problems on the “Weighted Average Practice Problems” document in Canvas Files. THIS IS A SEPARATE DOCUMENT. Deliverable: Homework Check Quiz Format: Canvas quiz Due: complete Homework Quiz by midnight before class.</td>
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| 14   | Mon Nov 18 | Topic: Cost of Capital and WACC Preparation:  
1. Read pp 294-310 (Cost of Capital). Ignore "Flotation Costs," we will not be using those. Pay particular attention to footnote on page 308: importance of using MARKET values of debt and equity to calculate their weights in the capital structure.  
2. Do problems 9-3, 5, 7, 14, 16, and 17. Deliverable: Homework Check Quiz Format: Canvas quiz Due: complete Homework Quiz by midnight before class. |
| 14   | Wed Nov 20 | Topic: Leverage and Optimal Capital Structure, including Calculator Problem 7 Preparation:  
1. Read pp 406-426 (Financing Mix). To test your knowledge of the reading, study both Table 12-6 (Combined Leverage Effects) and Figure 12-7 (Capital Costs and Financial Leverage) and make sure you understand them well.  
2. Do problems 12-1, 2, 3, 4, and 5.  
3. Read and study “Optimal Capital Structure Problem Solutions” 1 and 2 in Canvas Files/Homework. Make sure you understand the calculations (i.e., you could fill out the “calculations” section of a similar chart yourself.) Why does Beta go up? Why does Kd go up? Why does WACC go down, then up? What determines the “optimal capital structure”?  
4. Study Calculator Problem #7 “Calculating Break Even Point” and do the practice problems at the end of the document to make sure you know how to calculate break-even point. Deliverable: Homework Check Quiz Format: Canvas quiz Due: complete Homework Quiz by midnight before class. |
| 15   | Mon Nov 25 | Topic: Stock Valuation; Distribute SI Peer Leader Evaluation (due by last day of class). Preparation:  
1. Read pp 268-287 (Characteristics of Stock). NOTE: for Common Stock valuation, we will focus on the formula given in example (8-5) on p.279; however, we will use forward EPS instead of forward Dividend as the numerator, since most stocks don’t pay dividends.  
2. Do problems 8-1, 2, 4, 5, 8, 11, 12, 13, and 18 Deliverable: Homework Check Quiz Format: Canvas quiz Due: complete Homework Quiz by midnight before class. |
<p>| 15   | Wed Nov 27 | Thanksgiving Holiday                                                                                                                                                                                                          |
| 16   | Mon Dec 2  | Topic: Equity valuation using Comparables; (also choose company for research assignment due next class – this will occur during class session)                                                                                     |</p>
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<td>Preparation: Read (a) “Equity Valuations, the Comparables Approach,” by Ryan Fuhrmann, on Investopedia website; (b) “Valuation Using Multiples” on Wikipedia website.</td>
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<td>Deliverable: Homework Check Quiz</td>
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<td>Format: Canvas quiz</td>
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<td>Due: complete Homework Quiz by midnight before class.</td>
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<td>16</td>
<td>Wed Dec 4</td>
<td>Topic: Segment IV Review/Overflow day</td>
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<td>Preparation: Using CAPM and Perpetuity Model to Calculate Stock Value</td>
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<td>The purpose of this assignment is to practice using the CAPM and Perpetuity formulas to calculate stock values, incorporating internet research and thoughtfulness about the concepts involved.</td>
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<td>Preparation: In the prior class session, you selected a company from the list I circulated. Use the company you selected to complete this assignment.</td>
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<td>Deliverable: Download, print and fill out the assignment answer sheet posted in FILES --&gt; HOMEWORK MATERIALS --&gt; Segment IV Review/Overflow Homework Exercise</td>
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<td>Due: Hand it in (paper form) at the start of class. Keep a copy for yourself and bring it to class to discuss.</td>
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<td>17</td>
<td>Mon Dec 9</td>
<td>Topic: Study for Segment IV Midterm</td>
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<td>Preparation: Study Vocabulary and Concept Outline for Segment IV. Review lectures, homeworks and quizzes. Pick a public company and practice analyzing it using the “Bus 170 Capstone Review Exercise” in Canvas Files. Do this for several companies with a study group or come to office hours to discuss.</td>
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<td>Deliverable: Segment IV Midterm</td>
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<td>Format: Canvas quiz</td>
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<td>Due: In class</td>
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<td>Final Exam</td>
<td>Section 3: Thurs Dec 12 9:45am-12n</td>
<td>Topic: Study for Final Exam</td>
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<td>Preparation: review all homeworks, lectures, readings, quizzes, and supplemental materials in the course.</td>
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<td>Deliverable: Final Exam</td>
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<td>Format: Canvas quiz</td>
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<td>Due: Final exam dates are set by the University and posted on the SJSU website. Final exams are held in the regular classroom unless otherwise posted.</td>
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| Extra session if time permitting (depends on semester) | | Topic: Careers in Finance; Overflow/review day for Final Exam  
Deliverable: SI Peer Leader Evaluation  
Format: online questionnaire  
Due: by midnight the day before class |
| Extra possible assignment | | Topic: Betas IV Review/Overflow day  
Preparation: Finding Betas  
The purpose of this assignment is to get a feel for how Betas can differ depending on the source (the analyst group that calculated them) and also how Betas reflect different types of companies/industries.  
Preparation: In the prior class session, you selected a company from the list I circulated. Look up the Beta of this company from 3 different sources (see Beta Survey sheet for suggestions.)  
Deliverable: Download, print and fill out the assignment answer sheet posted in FILES --> HOMEWORK MATERIALS --> Beta Survey.  
Due: Hand it in (paper form) at the start of class. Keep a copy for yourself and bring it to class to discuss.  
NOTE: every assigned company is listed on either NYSE or Nasdaq. If you are looking at data for a stock listed on any other exchange, you are looking at the wrong stock. Stop and find the right stock. Many stocks have similar names and ticker symbols. ALSO NOTE: you must find 3 data sources. If you find a data source and under Beta it says "N/A" and there are no other alternative sources available, write that down. I will check it and if that is true, you will get credit. But it is preferable to find three actual Betas if possible. |