San José State University

School: College of Business
Department: Accounting & Finance
Course Number: BUS1 170
Title: Fundamentals of Finance
Section: 14
Semester: Spring
Year: 2016

Instructor: Suresh K. Ahuja
Office Location: BT 860
Telephone: 4-3464 (Not the best way to reach me – Email me instead)
Email: suresh.ahuja@sjsu.edu (Available 7 days a week)
Office Hours: Mondays and Wednesdays 1:30 to 2:30 and 4:30 to 5:30
Class Days/Time: Mondays 6 PM to 8:45 PM
Classroom: BBC 322
Prerequisites: BUS 20, BUS 21, ECON 1A, ECON 1B & Bus 90 with a minimum grade of “C” in each

Course Description:
This course covers the finance function and its relation to other decision-making areas in a commercial firm; includes the study of theory and techniques used in acquisition and allocation of financial resources from an internal management perspective.

Course Goals:
Demonstrate an understanding of the role of finance in a corporation with emphasis on the theory and tools that are used to help company leaders make sound financial decisions. Learn how to ensure that the company has sufficient capital for operations, growth, and maximization of shareholder wealth. Demonstrate an understanding of how “Time Value of Money”, “Risk management”, and “Diversification” can contribute to good decision-making in business. Learn how to use financial concepts in many personal applications of everyday life.
**Learning Outcomes (LO)**

Upon successful completion of this course, students will be able to:

LO1 Demonstrate an understanding of financial analysis, satisfied by completion of a take home assignment and a class quiz

LO2 Demonstrate an understanding of time value of money satisfied by completion of a take home assignment and a class quiz

LO3 Demonstrate an understanding of financial valuation of bonds and stocks satisfied by performing calculations required to compare the intrinsic value of stocks and bonds with market values

LO4 Demonstrate an understanding of real asset valuation by performing calculations required for corporate asset valuations.

LO5 Demonstrate an understanding of risk & return by calculating and comparing the cost of capital with return on investments

**Required Texts/Readings**

**Textbook:**

Title: Fundamentals of Financial Management (soft cover)
Subtitle: San Jose State University, BUS 170, Author: Brigham/Houston

OR

Fundamentals of Financial Management (hard cover), by Brigham Houston, 8th edition, ISBN# 9781285065137 available at the bookstore or online

OR

Other equipment / material requirements

A financial calculator is required. HP10BII is recommended. Please bring your calculator to class on the first day and every day after that. It is available at Best Buy, Office Depot or Staples and similar stores.

Course Requirements and Assignments

SJSU classes are designed such that in order to be successful, it is expected that students will spend a minimum of forty-five hours for each unit of credit (normally three hours per unit per week), including preparing for class, participating in course activities, completing assignments, and so on. More details about student workload can be found in University Policy S12-3 at http://www.sjsu.edu/senate/docs/S12-3.pdf.

University policy F69-24 at http://www.sjsu.edu/senate/docs/F69-24.pdf states, “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. Attendance per se shall not be used as a criterion for grading.”

Students must read assigned text material prior to class. Completion of assigned homework is crucial to understanding important concepts. Class attendance is essential to keep up with the course and to learn key concepts. Students are advised to see me during office hours if they sense that they are falling behind.

Grading Policy

Grading in the course will be based upon two mid-term exams, a final exam, take home assignments and quizzes. Please see course assignments in the table that follows. Exams will include multiple-choice questions on both lecture material and assigned readings. Students will be tested on problem solving and conceptual understanding of the following topics:

- An Overview of Financial Management
- Time Value of Money
- Financial Statements, Cash flows and Taxes
- Analysis of Financial Statements
- Interest Rates
- Bonds and Their Valuation
- Risk and Rates of Return
- Stocks and Their Valuation
- The Cost of Capital
- Capital Budgeting

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<thead>
<tr>
<th>Task</th>
<th>% of Course Grade</th>
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<tbody>
<tr>
<td>First Mid Term Exam</td>
<td>30%</td>
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<tr>
<td>Second Mid Term Exam</td>
<td>30%</td>
</tr>
<tr>
<td>In class quizzes</td>
<td>5%</td>
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<tr>
<td>Take home assignments</td>
<td>5%</td>
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<tr>
<td>Final Exam</td>
<td>30%</td>
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<td>Total</td>
<td>100%</td>
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Classroom Protocol

Class time will be divided between lectures and quizzes. Lectures highlight the key points related to the material. Therefore class attendance and class participation is crucial to succeeding in this course. Students are expected to arrive on time and should contact the instructor in advance if they cannot attend or will be late for class or exams. Students must read assigned text material prior to attending class. Completion of assigned homework is also crucial to understanding important concepts. Discussions on current events as they relate to the subject area being studied will make the class relevant and interesting. Students are advised to see me during office hours if they sense that they are falling behind and need help understanding the material.

University Policies

General Expectations, Rights and Responsibilities of the Student

As members of the academic community, students accept both the rights and responsibilities incumbent upon all members of the institution. Students are encouraged to familiarize themselves with SJSU’s policies and practices pertaining to the procedures to follow if and when questions or concerns about a class arises. To learn important
campus information, view University Policy S90–5 at http://www.sjsu.edu/senate/docs/S90-5.pdf and SJSU current semester’s Policies and Procedures, at http://info.sjsu.edu/static/catalog/policies.html. In general, it is recommended that students begin by seeking clarification or discussing concerns with their instructor. If such conversation is not possible, or if it does not address the issue, it is recommended that the student contact the Department Chair as the next step.

**Dropping and Adding**

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/. Students should be aware of the current deadlines and penalties for dropping classes.

Information about the latest changes and news is available at the Advising Hub at http://www.sjsu.edu/advising/.

**Consent for Recording of Class and Public Sharing of Instructor Material**

University Policy S12-7, http://www.sjsu.edu/senate/docs/S12-7.pdf, requires students to obtain instructor’s permission to record the course and the following items to be included in the syllabus:

- “Common courtesy and professional behavior dictate that you notify someone when you are recording him/her. You must obtain the instructor’s permission to make audio or video recordings in this class. Such permission allows the recordings to be used for your private, study purposes only. The recordings are the intellectual property of the instructor; you have not been given any rights to reproduce or distribute the material.”

- “Course material developed by the instructor is the intellectual property of the instructor and cannot be shared publicly without his/her approval. You may not publicly share or upload instructor generated material for this course such as exam questions, lecture notes, or homework solutions without instructor consent.”

**Academic integrity**

Your commitment, as a student, to learning is evidenced by your enrollment at San Jose State University. The University Academic Integrity Policy S07-2 at http://www.sjsu.edu/senate/docs/S07-2.pdf requires you to be honest in all your academic course work. Faculty members are required to report all infractions to the office of Student Conduct and Ethical Development. The Student Conduct and Ethical Development website is available at http://www.sjsu.edu/studentconduct/.
Campus Policy in Compliance with the American Disabilities Act

If you need course adaptations or accommodations because of a disability, or if you need to make special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible, or see me during office hours. Presidential Directive 97-03 at http://www.sjsu.edu/president/docs/directives/PD_1997-03.pdf requires that students with disabilities requesting accommodations must register with the Accessible Education Center (AEC) at http://www.sjsu.edu/aec to establish a record of their disability.

Accommodation to Students’ Religious Holidays

San José State University shall provide accommodation on any graded class work or activities for students wishing to observe religious holidays when such observances require students to be absent from class. It is the responsibility of the student to inform the instructor, in writing, about such holidays before the add deadline at the start of each semester. If such holidays occur before the add deadline, the student must notify the instructor, in writing, at least three days before the date that he/she will be absent. It is the responsibility of the instructor to make every reasonable effort to honor the student request without penalty, and of the student to make up the work missed. See University Policy S14-7 at http://www.sjsu.edu/senate/docs/S14-7.pdf.

Student Technology Resources

Computer labs for student use are available in the Academic Success Center at http://www.sjsu.edu/at/asc/ located on the 1st floor of Clark Hall and in the Associated Students Lab on the 2nd floor of the Student Union. Additional computer labs may be available in your department/college. Computers are also available in the Martin Luther King Library. A wide variety of audio-visual equipment is available for student checkout from Media Services located in IRC 112. These items include DV and HD digital camcorders; digital still cameras; video, slide and overhead projectors; DVD, CD, and audiotape players; sound systems, wireless microphones, projection screens and monitors.

SJSU Peer Connections

Peer Connections’ free tutoring and mentoring is designed to assist students in the development of their full academic potential and to inspire them to become independent learners. Peer Connections tutors are trained to provide content-based tutoring in many lower division courses (some upper division) as well as writing and study skills assistance. Small group and individual tutoring are available. Peer Connections mentors are trained to provide support and resources in navigating the college experience. This support includes assistance in learning strategies and techniques on how to be a successful student. Peer Connections has a learning commons, desktop computers, and success workshops on a wide variety of topics. For more information on services, hours, locations, or a list of current workshops, please visit Peer Connections website at http://peerconnections.sjsu.edu for more information.
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. For additional resources and updated information, follow the Writing Center on Twitter and become a fan of the SJSU Writing Center on Facebook. (Note: You need to have a QR Reader to scan this code.)

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.
**Course Number / Title, Semester, Course Schedule**

This schedule is subject to change with fair notice.

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topics</th>
<th>Readings, Assignments, Quiz Dates</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>02/01</td>
<td>Chapter 1: Overview of Financial Management.</td>
<td>-Read chapter 1 prior to class.</td>
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<td>Chapter 3: Financial Statements, Cash Flow and Taxes,</td>
<td>-Bring required financial calculator and textbook to class.</td>
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<td>-Read chapter 3.</td>
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<tr>
<td>2</td>
<td>02/08</td>
<td>Chapter 3: Financial Statements, Cash Flow and Taxes,</td>
<td><strong>Quiz on Chapter 1 today</strong></td>
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<td>-HW questions # 1-1, 1-6, 1-13.</td>
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<td>Study chapter 3.</td>
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<tr>
<td>3</td>
<td>02/15</td>
<td>Chapter 4: Analysis of Financial Statements.</td>
<td><strong>Quiz on Chapter 3 today</strong></td>
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<td></td>
<td>7th edition Homework Problems # 3-1 to 3-6, 3-7, 3-8, 3-9, 3-10, 3-12, 3-13.</td>
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<td>8th edition HW problems#</td>
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<td></td>
<td>3-1 to 3-6, 3-8, 3-9, 3-10, 3-11, 3-13, 3-14</td>
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<td>Read chapter 4 prior to class.</td>
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<td>4</td>
<td>02/22</td>
<td>Chapter 5: Time Value of Money</td>
<td><strong>Quiz on chapter 4 today</strong></td>
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<td>In class review of calculator for Time Value of Money problems.</td>
<td>7th edition HW Problems # 4-1, 4-3 to 4-6 and 4-7, 4-10, (Hand in HW# 4-24 for credit)</td>
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<td>8th edition HW problems # 4-1, 4-3 to 4-6,4-8,4-11, (Hand in HW# 4-25 for credit)</td>
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<td>Read chapter 5.</td>
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<td>Week</td>
<td>Date</td>
<td>Event</td>
<td>Details</td>
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| 5    | 02/29 | Chapter 5: Time Value of Money | Quiz on chapter 5 today  
- Home work chap 5: Problems # 5-1 to 5-9, 5-21, 5-24, 5-26, 5-27 |
| 6    | 03/07 | 1st Mid Term Exam | Chapters 1,3,4 and 5 |
| 7    | 03/14 | Chapter 6: Interest rates | Quiz today on chapter 6  
- Read chapter 6 prior to class  
- Class discussion on Federal Reserve Bank’s recent actions |
|      | 03/21 | Chapter 7: Bonds and their Valuation | Quiz today on chap 7  
- HW problems # 6-1 to 6-5 and 6-14a |
|      | 03/28 | Spring Break | |
| 9    | 04/04 | Chapter 8: Risk and Rates of return | Quiz today on chapter 8  
- HW problems # 8-1 to 8-5, 8-9 to 8-12  
- Read chapter 9 prior to class |
| 10   | 04/11 | Chapter 9: Stocks and their Valuations | Quiz today on chapter 9.  
- HW problems # 9-1 to 9-6 and 9-11, 9-13, 9-15 |
| 11   | 04/18 | Chapter 9: Stocks and their Valuation. (Corporate Valuation)  
Chapter 10 (Time Permitting)  
Pre – exam Review | |
| 12   | 04/25 | 2nd Midterm exam chapter 10 | Chapters 6,7,8,9 |
| 13   | 05/02 | Review 2nd mid term results. Chapter 10: Cost of Capital | Read Chapter 10 prior to class |
| 14   | 05/09 | Chapter 10: Cost of Capital  
Chapter 11: Capital Budgeting  
Review 2nd Mid term exam | Quiz today on Chapter 10  
- HW Chapter 10. Problems # 10-1 to 10-4 and 10-6,10-8,10-9, 10-11 .  
- Read Chapter 11 |
<p>| 15   | 05/16 | Capital Budgeting chap 11 | Quiz today on chapter 11 |</p>
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<tr>
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<th>HW chapter 11. Problems # 11-1 thru 11-5, 11-6a,b, 11-7a,b, c.</th>
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<tbody>
<tr>
<td>Final Exam</td>
<td>Monday May 23</td>
<td>Final exam</td>
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