



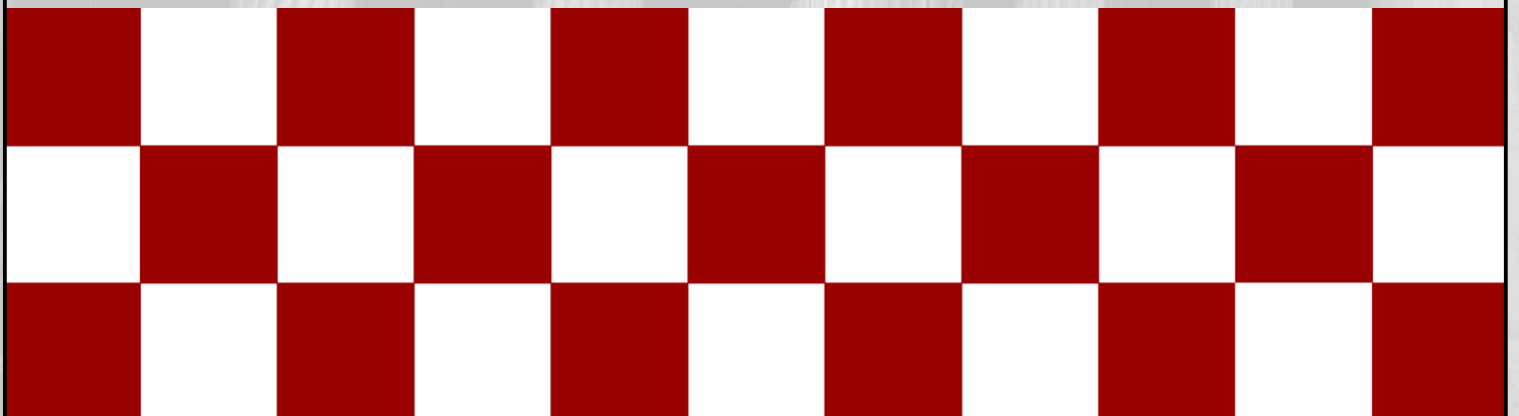
ROBINS
School of Business™

FIN 360

PRINCIPLES OF FINANCIAL MANAGEMENT

COURSE SYLLABUS

Professor: Joseph Farizo





FIN 360

PRINCIPLES OF FINANCIAL MANAGEMENT

COURSE SYLLABUS
ROBINS SCHOOL OF BUSINESS

Welcome to Finance 360! Finance is the study of the management of funds, raising and allocation of capital, investing, and financial institutions. We begin by learning about corporate finance, or the study of firm decision making, as well as the people who make the decisions at firms. We then review various ways in which we can evaluate the health and quality of a firm through an examination of its financial statements and cash flow.

We'll also learn about the most important concept in finance: the time value of money. Cash in hand is worth more than cash to be received in the future – because the future is uncertain! There are no guarantees an investment's cash flows will occur as promised. We apply time value of money concepts to valuation, or determining what an investment is worth given the timing, magnitude, and risks associated with those cash flows.

Throughout the semester, we will observe how theory plays out in practice. We will follow relevant business news and apply techniques we learn about to analyze a company using its financial statements.

My goal is to help you succeed, not just in the classroom but in your career. If ever you feel you are falling behind (or need more of challenge), please contact me. I am always happy to help. I look forward to this semester and hope you find this class useful, relevant, and rewarding.

- Joe

Joseph Farizo
jfarizo@richmond.edu
RSB Office 329
(804) 289-8565
josephfarizo.com



FIN 360: PRINCIPLES OF FINANCIAL MANAGEMENT

COURSE SYLLABUS
ROBINS SCHOOL OF BUSINESS

PROFESSOR

Joseph (Joe) Farizo

RSB Office 329

(804) 289-8565

jfarizo@richmond.edu

josephfarizo.com

CLASS TIMES & LOCATIONS

Sec 02: MW 9 AM (BUS 205)

Sec 03: MW 10:30 AM (BUS 205)

OFFICE HOURS (RSB 329)

Weekly and by appointment at
josephfarizo.com

TOPICS

1. Introduction to Corporate Finance
2. Financial Statements and Cash Flow
3. Forecasting and Planning
4. Time Value of Money
5. Capital Investments
6. Securities, Valuation, and Markets

ASSIGNMENTS & POINTS

Exam 1	225	(~23%)
Exam 2	225	(~23%)
Final Exam-Cumulative	350	(35%)
Problem Sets	120	(12%)
Project	80	(8%)
<i>Total</i>	1000	(100%)

GRADING SCALE

A	930+	C	730
A-	900	C-	700
B+	870	D+	670
B	830	D	630
B-	800	D-	600
C+	770	F	Below

COURSE DESCRIPTION

Finance 360 surveys basic theories, concepts, techniques, and problem-solving procedures of finance.

OBJECTIVES AND GOALS

- Understand basic financial management decisions and the roles and goals of the financial manager.
- Understand the difference between accounting income and cash flows.
- Compute and interpret common ratios to perform financial analysis.
- Determine firm growth rates.
- Understand time value of money concepts and apply these techniques to project, stock, and bond valuation.
- Learn about fixed income, equity securities, and their markets.
- Determine a security's expected return by the capital asset pricing model

PREREQUISITES

ACCT 201, ECON 101, ECON 170 or BUAD 202, RSB Major, Pre-major, or Minor.

A TYPICAL CLASS DAY

We generally begin by discussing relevant financial news and upcoming events in the class and at UR/Robins. We then proceed to the lecture. Come prepared by reading the lecture notes ahead of time. You may be called on to participate. I recommend hand-written (or tablet) notetaking on the lecture notes themselves.

MATERIALS

1. **Course Files:** (Required). <https://www.josephfarizo.com/fin360.html>. (free)
2. **Financial Calculator:** (Required). TI BA II Plus tinyurl.com/fincalc360 (~\$35)
3. **Microsoft Office 365 (Word, Excel):** (Required). tinyurl.com/MSFT365UR (free)
4. **WSJ Subscription:** (Required). education.wsj.com/search-students/ (free)
5. **Adobe Scan** (Required): <https://www.adobe.com/acrobat/mobile/scanner-app.html> (free)
6. **Textbook** (Optional): *Fundamentals of Corporate Finance* tinyurl.com/rwj13ed (\$70 - \$185)

GRADED ASSESSMENTS

EXAMS (800 POINTS)

	Date	Probable Material	Points
Exam 1	Monday, Sep. 30	§1. Introduction to Corporate Finance §2. Financial Statements and Cash Flow §3. Working with Financial Statements §4. Long Term Financial Planning and Growth	225
Exam 2	Monday, Nov. 11	§5. Time Value of Money §6. Discounted Cash Flow Valuation §7. Compounding Periods and Amortizing Loans §8. NPV, IRR, and Capital Investment Decisions	225
Final Exam	10:30 Section Mon., Dec. 9 @ 9am 9:00 Section: Fri., Dec. 13 @ 9am	<i>Cumulative Material (175 of 350 points):</i> Exam 1 Material (§1 – §4) Exam 2 Material (§5 – §8) <i>New Material (175 of 350 points):</i> §9. Bond Basics and Definitions §10. Bond Valuation §11. Equity Securities §12. Stock Valuation §13. Risk, Return, the Security Market Line and Cost of Capital	350

Topics subject to change.

The Final Exam is cumulative. Midterm exams are in-person during normal class time. Exams are closed-book and closed-notes, covering all course material and assigned readings. A formula sheet will be provided to you. Questions may include:

- computations
- multiple-choice
- fill-in-the-blank
- true/false
- short answer
- essay
- illustrations and graphics
- WSJ articles

PROBLEM SETS (120 POINTS)

You will need to be in attendance in-class to receive your personalized (unique to you) assignment. Late assignments are not accepted.

	Due Date	Probable Material	Points
PS 1	Announced in class	§2 and 3	20 points each
PS 2		§4	
PS 3		§5, 6, 7	
PS 4		§7, 8	
PS 5		§10 and 12	
PS 6		§12 and 13	

PROJECT (80 POINTS)

We will apply the techniques we learn about in class to evaluate a company using its financial statements. You will make your company selection and upload selected financial statements before **3pm on Friday, August 30**. You can earn an additional **7 bonus points** for turning in your completed assignment on or before **3pm on Friday, December 6**. The final deadline is **3pm on Saturday, December 14**.

GRADING SCALE

To calculate your final grade, add up your points across all assignments and compare the sum to the following table.

A	930+	B-	800	D+	670
A-	900	C+	770	D	630
B+	870	C	730	D-	600
B	830	C-	700	F	Below

Grades may be curved up (this is *very rare*) but are never curved down. The grade thresholds in the above table are absolute: you cannot petition for an 899 to be rounded up to an A-, nor a 799

to a B-, and so on. No additional extra credit or bonus assignments will be granted after the conclusion of the semester, nor any other grade adjustments made.

OTHER ADJUSTMENTS

Points may be deducted from your final point score for the following reasons:

(-5 each) Failure to attend a scheduled office hour appointment. You may cancel without penalty up to 12 hours before through the website. Cancellation due to emergencies is not penalized.

(-20) Consistent inability to meaningfully participate or failing to have respect, professionalism, and courtesy throughout the semester as defined in the next section.

(-30) Missing 3 or more class meetings without notifying me and without valid reason.

EXPECTATIONS

RESPECT, PROFESSIONALISM, AND COURTESY

- Please arrive on time.
- Please do not distract others or chat with others during lectures.
- Please do not access your phone during class.
- Please remain in class once the lecture begins and until class concludes – no exit and reentry. If you must leave early, quietly exit. You will be welcomed back to class on the next class day without question so long as it does not become a habit.
- Please refrain from using laptops (unless required through disability accommodation). iPads and tablets are fine for taking digital written notes during class.
- Please only attend the section you are registered for.

WORKLOAD

Per the Registrar's Office:

“ *An undergraduate unit is based on “time-on-task” as a standard and recognizes 10-14 hours per week as the minimum time that a typical good student should need to spend on a course, if that course is sufficiently challenging and if that student is to achieve a high level of learning.* **”**

You should expect to work 10 to 14 hours per week outside of class time, *at a minimum*, to do well. An hour or two every day of uninterrupted and focused work is optimal.

ATTENDANCE

You are expected to attend and participate in class. Do not come to class if you feel ill. Notify me, and schedule appointments as necessary. Missing class can negatively impact your grade.

ACADEMIC HONESTY

Cheating on an assignment will result in a 0% score on that assignment. The student will be reported, which may result in probation, suspension, or expulsion from the University.

DEADLINES & MAKEUPS

Late assignments and missed exams receive a score of 0%. The **only** exceptions include (1) *serious* illness to you or an immediate family member (married spouse, parent, sibling, grandparent) and (2) University-sponsored academic or athletic functions.

Advance notice and documentation must be provided when possible. The makeup day for exams is on the last day of Fall classes: **Friday, December 6.**

FEEDBACK

I take feedback very seriously and offer multiple ways for you to let me know your opinions anonymously. I occasionally send online surveys pertaining to your thoughts on the course. An online “Suggestion Box” is available at <https://forms.gle/yHUdfC9Cv3e3HsEH7>. Please take advantage of these opportunities to let me know how you feel. Unless otherwise (and clearly) specified, these surveys are anonymous.

Note: These surveys may display the email address you store in the browser. Your email address is not included in the survey submission or shared with me.

IMPORTANT DATES

Date	Agenda Item
Friday, Aug. 30	Project – Financial Statement Upload @ 3pm
Monday, Sep. 30	Exam 1
Monday, Oct. 14	No Class – Fall Break
Monday, Nov. 11	Exam 2
Wednesday, Nov. 27	No Class – Thanksgiving Break
Friday, Dec. 6	Project Early Deadline (+7 points) @ 3pm
Monday, Dec. 9	10:30 am Section Final Exam @ 9am
Friday, Dec. 13	9:00am Section Final Exam @ 9am
Saturday, Dec. 14	Final Project Deadline @ 3pm

Deadlines for problem sets will be announced in class. The instructor reserves the right to modify dates and topics.

APPENDIX

LEARNING GOALS & OBJECTIVES

AACSB Objectives for Principles of Financial Management (FIN 360)

The goal of the firm, from the Financial Manager's perspective, is to maximize the value of the firm. Therefore, valuation is the core theme of the course.

AACSB Objectives Outline Reference	Course Objectives
O1.2, O3.2	Understand the basic types of financial management decisions, the role of the financial manager, the goal of financial management, and agency conflicts among different stakeholders in a corporation that influence this goal.
O1.1, O2.2, O4.1	Understand the difference between accounting income and cash flow; calculate a firm's cash flows from its financial statements.
O1.1, O2.2, O4.1	Understand how to interpret common ratios to perform Financial Analysis from a firm's financial statements.
O1.1, O2.2	Understand the concept and determinants of growth in the firm.
O1.1, O2.2	Understand the concept of time value of money and its importance in valuation and use the concepts in all forms of time value calculations.
O1.1, O2.2	Understand the features and types of bonds and calculate the value of fixed income securities.
O1.1, O2.2	Understand the characteristics of equity securities and calculate the value and returns of stocks; understand the basics of the stock markets.
O1.1, O2.2	Understand the issues involved in capital budgeting and use the different criteria and cash flows to make valuation decisions of capital projects.
O1.1, O2.2	Understand the concept and impact of diversification and the CAPM model.
O1.1, O2.2	Understand the concept of a firm's cost of capital and how it is used in capital budgeting.

Learning Goal 1: Our graduates will be able to analyze and think critically to solve complex business problems. **O1.1** Students will produce solutions to business problems using appropriate analysis. **O1.2** Students will identify core issues, key stakeholders and their perspectives, and evaluate and apply evidence in support of a coherent position or recommendation.

Learning Goal 2: Our graduates will be effective communicators. **O2.1** Students will make a professional and effective oral presentation. **O2.2** Students will write a cogent analysis of a business or economic situation.

Learning Goal 3: Our graduates will possess the interpersonal skills needed to work effectively in a global and diverse business environment. **O3.1** Students will demonstrate an ability to work in teams and collaborate with others. **O3.2** Students will demonstrate an ability to make decisions considering the ethical implications and the impact on multiple stakeholders.

Learning Goal 4: Our graduates will demonstrate knowledge across the primary functional areas of business. **O4.1** Students will demonstrate an understanding of the functional areas of business in accounting, economics, finance, management, marketing, and analytics & operations

UNIVERSITY RESOURCES

ACADEMIC SKILLS CENTER

Helps students assess their academic strengths and weaknesses; hone their academic skills through teaching effective test preparation, critical reading and thinking, information processing, concentration, and related techniques; work on specific subject areas (e.g., calculus, chemistry, accounting, etc.); and encourage campus and community involvement. (asc.richmond.edu or call 289-8626 or 289-8956.)

CAREER SERVICES

Can assist you in exploring your interests and abilities, choosing a major, connecting with internships and learning experiences, investigating graduate and professional school options, and landing your first job. We encourage you to schedule an appointment with a career advisor during your first year. (careerservices.richmond.edu/ or call 289-8547.)

COUNSELING AND PSYCHOLOGICAL SERVICES

Assists students in meeting academic, personal, or emotional challenges. Services include assessment, short-term counseling and psychotherapy, crisis intervention, psychiatric consultation, and related services. (caps.richmond.edu or call 289-8119.)

SPEECH CENTER

Assists with preparation and practice in the pursuit of excellence in public expression. Recording, playback, coaching and critique sessions offered by teams of student consultants trained to assist in developing ideas, arranging key points for more effective

organization, improving style and delivery, and handling multimedia aids for individual and group presentations. (speech.richmond.edu or call 289-6409.)

WRITING CENTER

Assists writers at all levels of experience, across all majors. Students can schedule appointments with trained writing consultants who offer friendly critiques of written work. (Visit writing.richmond.edu or call 289-8263.)

BOATWRIGHT LIBRARY RESEARCH

LIBRARIANS

Assist students with identifying and locating the best resources for class assignments, research papers and other course projects. Librarians also assist students with questions about citing sources correctly. Students can schedule a personal research appointment, meet with librarians in the first floor Research and Collaborative Study area, email, text, or use instant messaging. (Visit libguides.richmond.edu/ or call 289-8669.)

DISABILITY SUPPORT SERVICES

If you believe you have a disability requiring an accommodation, please follow the procedures listed on the University of Richmond Disability Services website disability.richmond.edu/ to begin the accommodations process as soon as possible. If you already have a University of Richmond Disability Accommodation Notice (DAN), please make an appointment with me as soon as possible, so that I am aware of your accommodations. No student will receive accommodations of any kind without a DAN.

