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Office Hours: Many times are available. Just email me for an appointment.

Questions via email are welcomed.
Required Textbook and Connect Finance website:

TEXTBOOK (required):
This course will use a custom edition of Ross, Westerfield, and Jordan: *Essentials of Corporate Finance*, 8th edition (ISBN: 978-1-259-320576). This textbook and its associated website access (called “Connect”) can be purchased for $120, plus shipping, directly from McGraw-Hill at the following URL:


The book, with the associated Connect website access, also is available at the campus bookstore.

Used books are acceptable for this course. Any recent edition of *Essentials of Corporate Finance* by Ross, Westerfield and Jordan will work.

If you intend to buy a used edition of the textbook, **you still must purchase access to the Connect website**. See registration instructions below.

WEBSITE:

The associated website for this textbook is called McGraw-Hill Connect Finance. Connect Finance is **required** for F371. That’s where you will find additional explanatory materials and practice problems with detailed solutions.

Access to Connect comes with that custom edition of *Essentials*. If you buy a used edition of the *Essentials* book, **you still must purchase Connect**. See registration instructions below.

WEBSITE REGISTRATION INSTRUCTIONS:

**You must register** for Connect Finance as soon as possible. To register, go to the sign-in page at:


Click on the Register Now button, enter your email address, and you should see these three options:

1. Enter the registration code you received if you purchased the custom edition of the textbook. This gives you automatic access to Connect at no additional charge.

2. Purchase Connect Finance only, without the custom book. Price is about $125. Select this option if you bought a used book instead of the new custom edition.

3. Start a three-week free trial registration to Connect. Select this option if you need a few more days to get ready.
McGraw-Hill support: For assistance with registration or for help with the Connect Finance website, go online to:

www.mcgrawhillconnect.com/support

Or call 1-800-331-5094 during the hours shown in the front of the textbook.

Additional Requirements

Calculator: A financial calculator is required for this course. Your financial calculator must have net present value (NPV) and internal rate of return (IRR) functions. The two calculators which will be taught in this course are:

- Texas Instruments BA II Plus (standard or “Pro” edition)
- Hewlett-Packard HP 10B

My personal favorite: the HP 12C. It is also acceptable for F371, but it’s a little harder to learn.

Photos of these acceptable calculators are shown on page 12.

iPhones and other smartphones, and graphing calculators which display stored text, are NOT acceptable for F371.

Any calculator other than the three approved units mentioned above must be approved by me in advance before you can use it for an exam.

Calculators are necessary to work exam problems; be sure to have fresh batteries.

Canvas and Oncourse: Oncourse will not be used for this course. Canvas will be used for posting homework assignments, class materials and the gradebook.

Email: You are encouraged to email me as much as you want with questions about the material, the assignments or the exams. Please use regular Internet email, not Oncourse and not Canvas.

Important:

I do NOT check Canvas for messages. If you send me a message in Canvas, you will not get a response.

My email address is: jamicsmit@indiana.edu. (Note the letters – there is no H.)
Important: I will use the email address shown for you in Canvas to send messages to you. Take a look at the Canvas roster to see the address I will be using. If you would like to forward this address to another email account (such as IU’s umail, or Gmail, Hotmail or Yahoo!, or your work email), that is easy to do. See instructions at http://kb.iu.edu/data/beoj.html and http://kb.iu.edu/data/berh.html.

Note: Important F371 information may be sent to you by email. It is your responsibility to check your IU email frequently.

No Laptops or Cell Phones: I’m afraid I must insist that using laptop computers, iPads, cell phones or any similar personal electronic device during class is not permitted. Points may be deducted from your scores for using laptops, cell phones, etc. during class or for texting during class.

Optional Items

Dictionaries: If English is not your first language you may use a hard-copy translating dictionary during the exams. However, you must allow me to inspect the dictionary before the exam begins to get approval to use it. Electronic dictionaries are not permitted. Sharing of dictionaries is not permitted.

Calculator help: We will cover in class many details on using your financial calculator. The textbook also provides instructions on calculator procedures. And you can search YouTube. It offers many, many videos on how to use these financial calculators.

Computer spreadsheet program: Financial managers generally use a spreadsheet like Excel more than they use calculators. We’ll have a look at Excel in class, and you may use a PC or Mac spreadsheet for homework as appropriate. NOTE: An Excel spreadsheet is required for part of the I-Core Team Project.

The Wall Street Journal. Highly recommended, as a source for financial data and as a way to see financial management in practice. We may be discussing financial news as it occurs. Discounted student rates on subscriptions will be made available to you.

Grading Policy

Your grade for F371 will be the result of a mathematical calculation. There is no opportunity for extra credit work in F371. Final course grades are the average of five scores from your work during the semester, with weights as follows:
Exam 1 20%
Exam 2 20%
Final Exam 30%
Homework and Quizzes 15%
I-Core Team Project 15%

100%

Minimum grade requirements:
Three minimum requirements must be met to pass F371. These are:

1. Achieve an average of at least 60% on the three F371 exams.
2. Achieve an average of at least 60% on all of F371, including exams, problem sets, quizzes and the Finance portion of the I-Core Team Project.
3. Demonstrate significant participation with your team in the I-Core Project. Peer evaluations will be the main factor in assessing team participation.

Exams

There will be three examinations in F371: two exams during the semester and a Final near the end. Dates of the exams are shown in the course calendars, which are posted as pdf files on Canvas.

Examinations are closed book and will consist of multiple choice, qualitative questions, and numerical problems. Exam questions will cover class discussions and handouts. The textbook and the Connect website provide good background and review material for the exams.

A formula sheet will be provided with each exam.

Makeup Exams: There are NO MAKEUP EXAMS in F371 other than for documented illness. A verifiable medical excuse signed by a doctor will be required for missing an exam due to illness.

Special accommodations: Students needing accommodations because of a disability must register with Adaptive Educational Services (AES) and complete the appropriate forms issued by AES before accommodations can be given. The AES office is located in Taylor Hall, UC 100. You can also reach the office by calling 274-3241. Visit http://aes.iupui.edu/ for more information.

Calculators with financial functions are required for exams. I do not bring extra calculators to exams. Students are not permitted to share calculators during exams.

Tutoring: As your instructor, I am available for individual tutoring. Please email me as much as you want, or set up an office appointment, if you have questions about the course material.

Unofficial tutors are sometimes available around campus, but we don’t know how good they are.
Homework and Quizzes

Quizzes and Problem Sets: There will be in-class quizzes as well as homework assignments. The homework assignments are called “Problem Sets,” and they will be presented on Canvas. All together, there will be a combined total of six problem sets and quizzes.

The due dates are shown on the course calendars posted on Canvas. Problem sets are individual assignments, not team assignments. Late problem sets will not receive full credit.

I will drop your lowest score from the problem sets and quizzes. Therefore, that 15% component of your final course grade will be the average of the best five scores.

Number format and Rounding

For numerical answers on homework and exams, please show decimal places as follows:

Dollar amounts less than $10,000: Two decimal places (dollars and cents), unless otherwise instructed (e.g., $8,750.25).

Dollar amounts of $10,000 or more: Omit the cents. Show whole dollars only. And be sure to use commas as separators of each thousand (e.g., $758,275).

Percents: Two decimal places (e.g., 32.56%).

Decimal fractions: Four decimal places (e.g., 0.3256).

Please DO NOT round intermediate calculations except for dollars and cents.

Conduct and Attendance: Administrative Withdrawal

ATTENDANCE

This course is part of the Integrative Core (I-Core). Work begins on the first day of class. Attendance on the following days is mandatory:

◦ First day of class, including the I-Core Introduction session.
◦ The day teams are assigned. This date will be announced during the I-Core Introduction session on the first day of class.
◦ The first Team Project day, when teams present their proposals. This date is shown on the course calendars posted on Canvas.
◦ Other dates when an instructor may require attendance due to project-related in-class activities.

Absence on any of these class dates will result in administrative withdrawal.
If you miss any of these class sessions, in any of the four I-Core courses, you will be administratively withdrawn from all four courses. If you know you will miss one or more classes during this mandatory period, you should defer taking this and the other three I-Core courses.

In addition, you may be subject to administrative withdrawal, during the first half of the semester, if your conduct with your team is deemed to be extremely detrimental to the performance of the team by the team’s faculty I-Core facilitator; your Z371 instructor will be your team’s faculty I-Core facilitator. Detrimental conduct can involve:

- Not attending team meetings
- Not behaving in a professional manner when meeting with or communicating with team members
- Not completing team assignments by the date/time agreed to
- Conduct in violation of the Kelley honor code
- Failure to comply with the team’s charter

Potential consequences include:

- Receiving a grade of “F” in one or more of the I-Core courses
- Administrative withdrawal from one or more of the I-Core courses
- Dismissal from the Kelley School of Business
- No tuition refund

DROPPING

Drop Policy: This course adheres to the standard campus drop policy. The dates for an automatic W and other relevant dates are shown on the IUPUI Registrar website.

If you drop F371, you may be able to continue with the other three I-Core courses and the team project. Check with Prof. Ippolito, the I-Core coordinator, if you have questions about this.

PROFESSIONAL CONDUCT

F371 classes should be treated like business meetings. In a business meeting with other corporate executives, you would make sure your cell phone is turned off, you would not carry on a private conversation while someone else is speaking, you would respect the rights of others in the meeting to ask questions which are important to them, you would not be reading the newspaper or texting, and you would not walk in and out of the room while the meeting was underway.

That kind of thing should not happen in F371, either. Points may be deducted from your scores for disrespectful behavior or for other actions which are not appropriate for a business setting.
**Harassment**

Every student has the right to be free from sexual or discriminatory harassment both while **on-campus** and when engaged in a class-related activity **off-campus**. The following link will take you to the university web page that discusses your right to freedom from harassment: [http://www.indiana.edu/~code/code/rights/harassment/index.shtml](http://www.indiana.edu/~code/code/rights/harassment/index.shtml).

If you believe that you are being subjected to harassment, you should contact Jane McDonald in the Kelley School of Business Office of Academic & Professional Development (KAPD). The University will work with you to **protect your privacy** by sharing information with only those that need to know to ensure the University can respond and assist.

**Academic Integrity**

**Honesty and respect** are key elements of business relationships. We take them seriously at the Kelley School of Business.

Copying answers on an examination, or providing unauthorized assistance to another student, constitutes **cheating**. Any instance of cheating on an exam will result (at a minimum) in an **immediate failing grade for the course**.

Looking at a cell phone during an exam is automatically presumed to be cheating on the exam. Cheating on an exam results in an F for the course.

For further information on the subject of academic integrity at Kelley, see the Kelley Honor Code, available at: [http://kelley.iu.edu/Ugrad/Academics/HonorCode/page39065.html](http://kelley.iu.edu/Ugrad/Academics/HonorCode/page39065.html)

Students are expected to do their own work on the homework assignments. I encourage study groups, but you must submit your own homework assignment in order to receive credit.

**Myers Briggs Trait Inventory**

As part of I-Core, you must complete the Myers Briggs Trait Inventory (MBTI). This will be done as directed by your Z371 instructor.

The MBTI results are your personal property. Your MBTI results are used for educational purposes. The contents of your MBTI results will not be shared with or read by any staff, students, or faculty, except as needed for I-Core related purposes, unless you specifically grant that permission.

You will receive a direct email with detailed instructions about reporting your MBTI to the I-Core Coordinator, which will also describe how this data will be used in I-Core.
Social networking sites

Social networking websites will not be used in F371. I do not have a Facebook account, I do not have a LinkedIn page, and I do not use Twitter. If you see a site that purports to be mine, you can be sure it is a fake.

Helpful Resources

Writing: Correct English usage, grammar and punctuation are required in all F371 assignments and email correspondence (e.g., do not start an email with “Hey, Professor”). Try to write like the Wall Street Journal. The campus has a good source for answers and assistance with writing. Contact University Writing Center at http://www.iupui.edu/~uwc/

Research: The University Library has assigned Katie Emery, a professional research librarian, to assist students and faculty at the Kelley School. Contact her at katemery@iupui.edu for advice and direction in connection with your research.

Campus Policies

There are a number of campus-wide policies governing the operation of courses at IUPUI and academic misconduct procedures. These can be found at http://registrar.iupui.edu/course_policies.html. These policies apply to this course unless otherwise stated in the syllabus or course material.

Course Learning Outcomes

F371 introduces the basic concepts in financial analysis for use in making business decisions. These concepts include rates of return, risk, cash flows and valuation. An important part of F371 is learning to use computational tools for quantifying these items.

F371 course learning outcomes are associated with the IUPUI Principles of Undergraduate Learning (PULs) and the Kelley School of Business Undergraduate Business Learning Goals (UBLGs). These goals are listed on page 11, and they are referred to in parentheses in the following list of Learning Outcomes.

Upon successful completion of F371, students will be able to:

1. Use Time Value of Money principles to calculate the economic value of financial and real assets (PUL 1b, UBLG 1b), such as:
   a. Annuities
   b. Bonds
   c. Stocks
   d. Business Operating Assets

2. Measure risk and return and explain the relationship between risk and reward in capital market efficiency (PUL 2, UBLG 2).
3. Estimate forecast cash flows from a business project, based on marketing, operations and finance data (PUL 1c and 3, UBLG 1c and 3).

4. Distinguish between various measures of Cash Flow (PUL 2, UBLG 2).
   a. Operating Cash Flows
   b. Net Working Capital cash flows
   c. Capital Spending
   d. Financial Cash Flows to Creditors and Owners

5. Calculate the tax-shielding effects of Depreciation and Interest upon the firm’s Operating Cash Flows (PUL 1b, UBLG 1b).

6. Use the Capital Asset Pricing Model to estimate the Required Rate of Return on a capital investment project, as adjusted for risk (PUL 1b and 2, UBLG 1b and 2).

7. Integrate 1-6 above to recommend capital investment decisions based on Net Present Value, Internal Rate of Return and Payback decision models (PUL 3, UBLG 3).

8. Communicate and explain those investment decision recommendations effectively to others (PUL 1a, UBLG 1a).

(A personal objective: preparing you to do well in subsequent KSBI courses.)
## Principles of Undergraduate Learning and KSBI Undergraduate Business Learning Goals

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<th>No.</th>
<th>PUL</th>
<th>UBLG</th>
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| 1a  | LANGUAGE SKILLS  
   a) Reading & Understanding books, articles & instruction manuals,  
   b) Delivering a prepared presentation to a group  
   c) Contributing to a team to solve problems | BUSINESS LANGUAGE  
   Students will prepare and deliver written and oral messages that effectively express ideas and facts to others. Students will prepare and deliver effective oral and written persuasive arguments. |
| 1b  | QUANTITATIVE SKILLS  
   a) Solving mathematical problems  
   b) Using mathematics in everyday life  
   c) Understanding statistical report  
   d) Preparing a report using quantitative data | BUSINESS QUANTITATIVE SKILLS  
   Students will perform quantitative analysis and use the results to make business decisions. |
| 1c  | INFORMATION RESOURCE SKILLS  
   a) Identifying appropriate sources of information  
   b) Using computer software  
   c) Evaluating the quality & accuracy of web information  
   d) Recognizing/avoiding plagiarism | INFORMATION & BUSINESS RESOURCE SKILLS  
   Students will analyze business problems, situations and opportunities by identifying and applying appropriate and relevant information. |
| 2   | CRITICAL THINKING  
   a) Use acquired knowledge to understand new concepts  
   b) Apply knowledge to practical situations and make informed decisions;  
   c) Analyze complex concepts logically and from multiple perspectives;  
   d) Synthesize information and arrive at reasoned conclusions;  
   e) Evaluate the logic, validity, and relevance of data and conclusions | CRITICAL THINKING IN BUSINESS  
   Students will arrive at reasoned conclusions and make informed decisions in assessing current and predicted business situations by applying course concepts learned across the curriculum. |
| 3   | INTEGRATION & APPLICATION OF KNOWLEDGE  
   a) Enhance their personal lives;  
   b) Meet professional standards and competencies;  
   c) Further the goals of society; and  
   d) Work across traditional course and disciplinary boundaries. | PROFESSIONAL SKILLS & COMPETENCIES  
   Students will apply substantial knowledge and understanding in their chosen major in the study of business. |
| 4   | INTELLECTUAL DEPTH, BREADTH & ADAPTIVENESS  
   a) Show substantial knowledge and understanding of at least one field of study;  
   b) Compare and contrast approaches to knowledge in different disciplines;  
   c) Modify one’s approach to an issue or problem based on the contexts and requirements of particular situations. | INTEGRATIVE BUSINESS REASONING  
   Student will assimilate data from different sources, and use more than one business discipline to develop a model to solve a business problem. |
| 5   | UNDERSTANDING SOCIETY & CULTURE  
   a) Compare and contrast the range of diversity and universality in human history, societies, and ways of life  
   b) Analyze and understand the interconnectedness of global and local communities  
   c) Operate with civility in a complex world. | DIVERSITY & COLLABORATION IN BUSINESS  
   Students will use their understanding of the importance of diverse worldviews and practices, cultural competencies, and sociocultural and socioeconomic factors to foster cooperation and teamwork. |
| 6   | VALUES & ETHICS  
   a) make informed and principled choices and to foresee consequences of these choices;  
   b) explore, understand, and cultivate an appreciation for beauty and art;  
   c) understand ethical principles within diverse cultural, social, environmental and personal settings | BUSINESS & MANAGEMENT ETHICS  
   Students will make business decisions that seek to align their personal values and beliefs (integrity) and respond to the expectations of others, the organization, and society. |
Financial Calculators

Texas Instruments:

TI BAII Plus

TI BAII Plus Pro

HP:

HP 10bII

HP 12c