

**MBAA 6070: Fundamentals of Finance (3 credits)**  
**Loyola Marymount University**  
**Spring 2017**

**Time and Location:** Thursday, 6-7:40pm, Hilton 119

**Instructor Name:** Hai Tran

**Office:** Hilton 250

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**Office Hours:** Tues: 1pm-3pm, Wed: 1:30pm-3:30pm, Thurs: 3pm-5pm or by appointment.

**Required Materials:**

1) Ross, Westerfield, and Jordan, Essentials of Corporate Finance, McGraw-Hill Irwin, 9<sup>th</sup> ed.

**Course Prerequisites:**

MBAA 602 (Managerial and Financial Accounting), MBAA 603 (Data Analytics and Decision Analysis), and MBAA 604 (Global Economic Structures and Systems)

**Course Description:**

This course covers the methods and instruments useful to financial managers of business enterprises for making investment and financing decisions.

**Learning Outcomes:**

This course contributes to student achievement of the following MBA core learning outcomes:

- Students will be able to apply key concepts in the business-related area of Finance.
- Students will be able to utilize critical thinking skills in analyzing business situations.
- Students will be able to apply appropriate data analysis and risk assessment techniques in the analysis of business situations and in decision making.

Upon completion of this course, students should successfully demonstrate the following financial management course learning outcomes:

- Evaluate borrowing and investment opportunities by applying time value of money techniques in accordance with financial theory.
- Estimate a company's cost of capital and use it when evaluating long-term investment opportunities.
- Understand the relationship between risk and required returns.

**Excel assignments:**

Learning to use Excel is an important part of this course. I will assign Excel tutorial videos on Lynda.com as homework (you have access to this website via MYLMU). I will also teach certain Excel functions relevant to finance in class. There are 4 Excel assignments that will be embedded into the homework sets. Excel, as well as other Microsoft Office products, is free to LMU students via [www.office.com/getoffice365](http://www.office.com/getoffice365) . Click on "Find out if you're eligible" and enter your LMU email address. You will receive an email with a link to create your account and access Office 365.

**Homework and assignments:**

Doing homework is crucial to success in this class. Homework will be collected and checked for completeness. One to two random problems from the homework set will be graded. Full credit will only be awarded if you show all your work on all the problems.

**Quizzes:**

There will be four in-class quizzes to test your mastery of the homework assignments. You can drop the lowest score of the four quizzes.

**Exams:**

There will be two exams in this course, one midterm and one final. All exams are closed book and closed notes. However, I will provide you with a formula sheet for each exam. Since exam dates are set in advance, if you anticipate a conflict with a religious holiday or a university officially-sanctioned activity, you should notify me at least one week in advance for a rescheduling. No other make up exams will be given. If you miss a midterm exam for LMU-approved reasons, you will have to take a comprehensive final exam, and replace your missed mid-term exam grade with your final exam grade. Missing an exam for non-LMU approved reasons will result in a grade of zero for that exam.

**Participation:**

Active participation is important in understanding and retaining class materials. You will be graded on the quantity and quality of your participation.

**Individual meetings:**

I would like to meet with each of you individually during the first four weeks of the course. Each meeting will last 10 minutes, and its purpose is for me to get to know you a little better and answer any questions you may have about the class. Before the meeting, I would like to see a copy of your resume. We will meet in my office, Hilton 250.

**Workload expectations:**

This is a 3 credit course. As such, you are expected to complete at least 6 hours of work outside of class per week. Even though these hours will vary from week to week, on average you will spend 1 hour on reviewing lectures and in-class practice problems, 2 hours on homework problem sets, 1 hour on Excel videos/ assignments, and 2 hours on readings and preparations for the next class.

**Grading scheme:**

Your final grade will be based on the following component weights:

Midterm exam	25%
Final exam	35%
Participation	15%
Quizzes	10%
Homework assignments	15%

**Use of technology:**

The financial calculator is *required* for use in this class. It will simplify the calculations and allow you to focus on understanding the intuition of the problem. I recommend the Texas Instruments BA II Plus, which typically costs \$30 on Amazon.com. I will teach how to use this calculator in class.

**Electronic devices in the classroom:**

Please silence all phones before class. Do not use your phone during class for texting, email. I also do not allow computers in the classroom. This is distracting to you and other students in the class.

**Academic Honesty:**

Academic dishonesty will be treated as an extremely serious matter with severe consequences that can range from receiving no credit for assignments/tests, failing the class, to expulsion. It is never permissible to turn in any work that has not been authored by the student, such as work that has been copied from another student or copied from a source (including Internet) without properly acknowledging the source. It is your responsibility to make sure that your work meets the standard set forth in the “Academic Honesty Policy” (see <http://academics.lmu.edu/honesty>.)

**Special Accommodations:**

Students with special needs who require reasonable modifications, special assistance, or accommodations in this course should promptly direct their request to the Disability Support Services (DSS) Office. Any student who currently has a documented disability (ADHD, Autism Spectrum Disorder, Learning, Physical, or Psychiatric) needing academic accommodations should contact the DSS Office (Daum Hall 2nd floor, 310-338-4216) as early in the semester as possible. All discussions will remain confidential. Please visit <http://www.lmu.edu/dss> for additional information.

**Tentative Nature of the Syllabus:**

If necessary, this syllabus and its contents are subject to revision; students are responsible for any changes or modifications announced or distributed in class or posted on LMU's course management system MYLMU Connect

## TENTATIVE Course Schedule

<b>Date</b>	<b>Topic</b>	<b>HW assignments due</b>
Jan 12 (Thu)	Review of financial statements – Course overview	
Jan 19 (Thu)	Chpt 3 – Financial and ratios analysis Chpt 4 - Time value of money	HW 1
Jan 26 (Thu)	Chpt 5 - Time value of money	HW 2
Feb 2 (Thu)	Chpt 6 - Bond valuation. <b>Quiz 1</b>	HW 3
Feb 9 (Thu)	Chpt 6 - Bond valuation	HW 4
Feb 16 (Thu)	Chpt 7 - Stock valuation <b>Quiz 2</b>	HW 5
<b>Feb 23 (Thu)</b>	<b>Exam 1</b>	
Mar 2 (Thu)	Active vs. passive investing – Classroom trading game	HW 6
Mar 9 (Thu)	<i>No classes – Spring break</i>	
Mar 16 (Thu)	Chpt 8 - NPV and other investment criteria.	
Mar 23 (Thu)	Chpt 9 - Making capital investment decisions	HW 7
Mar 30 (Thu)	Chpt 9 - Making capital investment decisions <b>Quiz 3</b>	HW 8
Apr 6 (Thu)	Chpt 12 - Cost of capital	HW 9
Apr 13 (Thu)	<i>No classes – Easter Holiday</i>	
Apr 20 (Thu)	Chpt 10 - Some lessons from capital market history. <b>Quiz 4</b>	HW 10
Apr 27 (Thu)	Chpt 11 - Risk and return Course review/ Final exam review	HW 11
May 4 (Thu)	<b>Final Exam: 6pm-7:40pm</b>	