



University of
New Haven

Business Finance

SECTION I: Course Overview

Course Code: FIN301BCN

Subject Area(s): Finance

Prerequisites: See below

Language of Instruction: English

Total Contact Hours: 45

Recommended Credits: 3

COURSE DESCRIPTION

The role of finance in business is essential. We use financial data to assess current trends, make projections regarding future activities, and to drive decision-making within an organization. This course provides students with an introductory theoretical framework for understanding and analyzing major financial problems of modern companies. Lectures, readings and case studies will illustrate the impact that financial decisions can have on corporate performance and value, and students will receive an overview of how to break down the components of a financial problem and apply the appropriate financial decisions to solve them. The main topics of this course include evaluation of a firm's financial performance, financial analysis, time value of money and interest rates, capital structure, risk and return relationship, cost of capital, and dividend decisions, among others. The knowledge gleaned through this course will be useful for any business student regardless of their intended career path.

LEARNING OBJECTIVES

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

- Identify problems in the financial area
- Analyze market prices, value drivers and financial measures, e.g., profitability, growth, P/B and P/E ratios, and their relations to estimated fundamental value
- Estimate cash flows, risk, required returns, value of capital projects, and the weighted average cost of capital.
- Apply the net present value (NPV), internal rate of return (IRR) and adjusted present value (APV) method of investment valuation.

PREREQUISITES

Prior to enrollment, this course requires you to have completed Financial Accounting, and it is also recommended that you have an understanding of Statistics.

SECTION II: Instructor & Course Details

INSTRUCTOR DETAILS

Name: TBA
Contact Information: TBA
Term: SEMESTER

ATTENDANCE POLICY

This class will meet once weekly for 150 minutes each session. All students are expected to arrive on time and prepared for the day's class session. Class may meet for more sessions per week, to meet a total of 45 contact hours.

CEA enforces a mandatory attendance policy. You are therefore expected to attend all regularly scheduled class sessions, including any field trips, site visits, guest lectures, etc. that are assigned by the instructor. The table below shows the number of class sessions you may miss before receiving a grade penalty.

ALLOWED ABSENCES – SEMESTER		
Courses Meeting X day(s) Per Week	Allowed Absence(s)	Automatic Failing Grade at X th absence
Courses meeting 1 day(s) per week	1 Absence	4 th Absence

For every additional absence beyond the allowed number, your final course grade will drop down to the subsequent letter grade (ex: A+ to A). As a student, you should understand that the grade penalties will apply if you are marked absent due to tardiness or leaving class early. In the table below, you will find the grade penalty associated with each excessive absence up to and including automatic course failure.

ATTENDANCE DOCKING PENALTIES				
Absence	1 st	2 nd	3 rd	4 th
Penalty	No Penalty	0.5 Grade Docked	1 Grade Docked	Automatic Failure
HIGHEST POSSIBLE GRADE AFTER ATTENDANCE PENALTIES				
Grade	A+	A	A-	F

CEA does not distinguish between excused and unexcused absences. As such, no documentation is required for missing class. Similarly, excessive absences, and the grade penalty associated with each, will not be excused even if you are able to provide documentation that shows the absence was beyond your control. You should therefore only miss class when truly needed as illness or other unavoidable factors may force you to miss a class session later on in the term.

GRADING & ASSESSMENT

The instructor will assess your progress towards the above-listed learning objectives by using the forms of assessment below. Each of these assessments is weighted and will count towards your final grade. The following section (Assessment Overview) will provide further details for each.

Class Participation	10%
Field Study assignment	5%
Guest Speaker assignment	5%
Group Financial Project Paper	20%
Group Financial Project Presentation	20%
Midterm Exam	20%
Final Exam	20%

The instructor will calculate your course grades using the CEA Grading Scale shown below. As a CEA student, you should understand that credit transfer decisions—including earned grades for courses taken abroad—are ultimately made by your home institution.

CEA GRADING SCALE			
Letter Grade	Numerical Grade	Percentage Range	Quality Points
A+	9.70 – 10.0	97.0 – 100%	4.00
A	9.40 – 9.69	94.0 – 96.9%	4.00
A-	9.00 – 9.39	90.0 – 93.9%	3.70
B+	8.70 – 8.99	87.0 – 89.9%	3.30
B	8.40 – 8.69	84.0 – 86.9%	3.00
B-	8.00 – 8.39	80.0 – 83.9%	2.70
C+	7.70 – 7.99	77.0 – 79.9%	2.30
C	7.40 – 7.69	74.0 – 76.9%	2.00
C-	7.00 – 7.39	70.0 – 73.9%	1.70
D	6.00 – 6.99	60.0 – 69.9%	1.00
F	0.00 – 5.99	0.00 – 59.9%	0.00
W	Withdrawal	N/A	0.00
INC	Incomplete	N/A	0.00

ASSESSMENT OVERVIEW

This section provides a brief description of each form of assessment listed above. Your course instructor will provide further details and instructions during class time.

Class Participation (10%): Student participation is mandatory for all courses taken at a CEA Study Center. The instructor will use the rubric below when determining your participation grade. All students should

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understand that attendance and punctuality are expected and will not count positively toward the participation grade.

CLASS PARTICIPATION GRADING RUBRIC	
Student Participation Level	Grade
You make major & original contributions that spark discussion, offering critical comments clearly based on readings, research, & theoretical course topics.	A+ (10.0 – 9.70)
You make significant contributions that demonstrate insight as well as knowledge of required readings & independent research.	A/A- (9.69 – 9.00)
You participate voluntarily and make useful contributions that are usually based upon some reflection and familiarity with required readings.	B+/B (8.99 – 8.40)
You make voluntary but infrequent comments that generally reiterate the basic points of the required readings.	B-/C+ (8.39 – 7.70)
You make limited comments only when prompted and do not initiate debate or show a clear awareness of the importance of the readings.	C/C- (7.69 – 7.00)
You very rarely make comments and resist engagement with the subject. You are not prepared for class and/or discussion of course readings.	D (6.99 – 6.00)
You make irrelevant and tangential comments disruptive to class discussion. You are consistently unprepared for class and/or discussion of the course readings.	F (5.99 – 0.00)

Midterm & Final Exams (20% each): These are intended to assess your comprehension of the core concepts from the course, and will draw on lectures, assigned readings, and classroom discussions. The format includes a combination of matching terms with definitions, short answer, and essay questions. Unlike the experiential forms of assessment, there are clearly defined correct and incorrect answers, allowing assessment of the degree to which you have successfully mastered the essential content from the course. Through these tests, students will be required to evaluate financial information and reformulate it to identify a firm’s business strategy and value drivers.

Field Study and Guest Speaker assignments (5% each): Both the field trip session and the guest speaker session aim to bring students closer to the practical side of the course, putting them in contact with relevant professionals in the sector. The assignments aim to evaluate the understanding of these experiential sessions. They will generally consist of questions and reflections related to what the professionals have explained. Students will be asked to analyze and frame financial problems of the companies presented.

Group Financial Project (20% paper, 20% presentation): The financial group project is an essential part of the course, as it allows the student to apply all the main concepts explained to a real case. The student must choose a company; analyze its financial statements; calculate the main financial ratios (profitability, growth, P/B and P/E ratios, liquidity...); and apply the net present value (NPV), internal rate of return (IRR), and adjusted present value (APV) method of investment valuation, among others.

EXPERIENTIAL LEARNING ACTIVITIES

CEA courses are designed to include a variety of experiential learning activities that will take you out of the classroom and allow you to explore your local, host city. These activities may include field studies, guest lectures and/or activities offered through our Academically Integrated Cultural Activities Program (AICAP). The following experiential learning activities are recommended for this course:

- Guest Speaker: leader from local business with experience relevant to the themes of this course.
- Site visit to local business that relates to themes of this course.

REQUIRED READINGS

Reading assignments for this course will come from the required text(s) and/or the selected reading(s) listed below. All required readings—whether assigned from the text or assigned as a selected reading—must be completed according to the due date assigned by the course instructor.

- I. REQUIRED TEXT(S):** You may purchase or obtain the required text(s) prior to departure or upon program arrival. The required text(s) are listed below:

Ross, Stephen; Westerfield, Randolph; Jordan, Bradford (2020). Essentials of Corporate Finance: 10th Edition.

- II. SELECTED READING(S):** The selected readings for this course are listed below. You will not need to purchase these readings; the instructor will provide these selected readings to you in class (either in paper or electronic format).

Business Cases:

- Jaguar Land Rover plc: Bond Valuation. Ivey Publishing (2015).
- Under Armour Under Pressure: Ratio Analysis. Ivey Publishing (2018).
- Teuer Furniture: Discounted Cash Flow Valuation. Kellogg School of Management (2014).
- Time Value of Money: The Buy Versus Rent Decision. Harvard Business School Press (2014).
- Costco Wholesale Corp. Financial Statement Analysis. Stanford School of Business (2003).
- Toy World, Inc. Harvard Business School Press (1994).
- Hong Kong Dragon Airlines Limited: Determining the Cost of Capital. University of Hong Kong (2010).

Articles:

- “Finance Reading: Risk and Return 1: Stock Returns and Diversification”, Harvard Business Press (2017).
- “Finance Reading: Risk and Return 2: Portfolio Theory”, Harvard Business Press (2017).
- “Why Financial Statements Don't Work for Digital Companies”, Harvard Business Press (2018).
- “Finance Reading: Time Value of Money”, Harvard Business Press (2015).
- “Who Needs Budgets?”, Harvard Business Press (2003).
- “How Long Should You Borrow Short Term?”, Harvard Business Press (1986).

RECOMMENDED READINGS

The recommended reading(s) and/or text(s) for this course are below. These recommended readings are not mandatory, but they will assist you with research and understanding course content.

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Core Curriculum Articles:

- *A Primer on Risk-Free Bonds*. Harvard Business School Press (2019).
- *Financial Accounting Reading: Analysing Financial Statements*. Harvard Business School Press (2017).
- *Financial Accounting Reading: Preparing Financial Statements - Statements of Income and Cash Flows*. Harvard Business School Press (2017).
- *Financial Accounting Reading: Preparing Financial Statements - The Balance Sheet*. Harvard Business School Press (2017).
- *Financial Accounting Reading: Introduction to Valuation*. Harvard Business School Press (2017).
- *Ten Ways to Create Shareholder Value*. Harvard Business School Press (2006).
- *Financial Statements: The Elements of Managerial Finance*. Harvard Business School Press (2002).
- *Finding Meaning in Financial Statements: A Look Behind the Numbers*. Harvard Business School Press (2002).
- *Finance Reading: Introduction to Bonds and Bond Math*. Harvard Business School Press (2016).

Journals:

- Journal of Corporate Finance
- Journal of Finance
- Journal of Financial Economics
- Journal of Applied Corporate Finance
- Journal of Banking and Finance
- Emerging Markets Review

ADDITIONAL RESOURCES

In order to ensure your success abroad, CEA has provided the academic resources listed below. In addition to these resources, each CEA Study Center provides students with a physical library and study areas for group work. The Academic Affairs Office at each CEA Study Center also compiles a bank of detailed information regarding libraries, documentation centers, research institutes, and archival materials located in the host city.

- **UNH Online Library:** As a CEA student, you will be given access to the online library of CEA's School of Record, the University of New Haven (UNH). You can use this online library to access databases and additional resources while performing research abroad. You may access the UNH online library [here](#) or through your MyCEA Account. You must comply with UNH Policies regarding library usage.
- **CEAClassroom – Moodle:** CEA instructors use Moodle, an interactive virtual learning environment. This web-based platform provides you with constant and direct access to the course syllabus, daily schedule of class lectures and assignments, non-textbook required readings, and additional resources. Moodle includes the normal array of forums, up-loadable and downloadable databases, wikis, and related academic support designed for helping you achieve the learning objectives listed in this syllabus.

During the first week of class, CEA academic staff and/or faculty will help you navigate through the many functions and resources Moodle provides. While you may print a hard copy version of the syllabus, you should always check Moodle for the most up-to-date information regarding this course. The instructor will use Moodle to make announcements and updates to the course and/or syllabus. It is your responsibility to ensure that you have access to all Moodle materials and that you monitor Moodle on a daily basis in case there are any changes made to course assignments or scheduling. To access Moodle: Please log-in to your MyCEA account using your normal username and password. Click on the "While You're Abroad Tab" and make sure you are under the "Academics" sub-menu. There you will see a link above your schedule that says "View Online Courses" select this link to be taken to your Moodle environment.

COURSE CALENDAR
Introduction to Intercultural Communication Abroad

SESSION	TOPICS	ACTIVITY	READINGS & ASSIGNMENTS
1	<p style="text-align: center;">Course Introduction: Review Syllabus, Classroom Policies</p> <p style="text-align: center;">Financial Management</p> <p style="text-align: center;">Financial Statements: Income Statement</p>	<p style="text-align: center;">Course Overview Lecture and open debate</p> <p style="text-align: center;">Discussion: Article: Why Financial Statements Don't Work for Digital Companies</p>	<p>Reading: Ross, Westerfield, and Jordan (2020). Ch: 1.</p> <p>Assignments: Article study & questions</p>
2	Financial Statements: Balance Sheet	<p style="text-align: center;">Lecture and open debate</p> <p style="text-align: center;">In class activity: CASE: Costco Wholesale Corp. Financial Statement Analysis.</p>	<p>Reading: Ross, Westerfield, and Jordan (2020). Ch:2,3.</p> <p>Assignments: Case study & questions</p>
3	Financial Statements: Cash-Flow Statement	<p style="text-align: center;">Lecture and open debate</p> <p style="text-align: center;">In class activity: CASE: Toy World, Inc.</p>	<p>Reading: Ross, Westerfield, and Jordan (2020). Ch:2,3.</p> <p>Assignments: Case study & questions</p>
4	The Time Value of Money & Interest Rates	<p style="text-align: center;">Lecture and open debate</p> <p style="text-align: center;">In class activity: CASE: Time Value of Money: The Buy Versus Rent Decision</p> <p style="text-align: center;">Discussion: Article: Finance Reading: Time Value of Money.</p>	<p>Reading: Ross, Westerfield, and Jordan (2020). Ch:4,6,8.</p> <p>Assignments: Case and article study & questions</p>

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5	<p>Bonds and Bond Valuation</p> <p>Stocks and Stock Valuation</p>	<p>Lecture and open debate</p> <p>In class activity: CASE: Jaguar Land Rover plc: Bond Valuation.</p>	<p>Reading: Ross, Westerfield, and Jordan (2020). Ch:6,7,8.</p> <p>Assignments: Case study & questions</p>
6	<p>Guest Speaker</p> <p>Risk and Return</p>	<p>Lecture and open debate</p> <p>In class activity: Article: Finance Reading: Risk and Return 1: Stock Returns and Diversification Article: Finance Reading: Risk and Return 2: Portfolio Theory</p>	<p>Reading: Ross, Westerfield, and Jordan (2020). Ch:11.</p> <p>Assignments: Article study & questions</p>
7	<p>Cash Flow Estimation</p> <p>Capital Budgeting Decision Models</p>	<p>Lecture and open debate</p> <p>In class activity: CASE: Teuer Furniture: Discounted Cash Flow Valuation.</p>	<p>Reading: Ross, Westerfield, and Jordan (2020). Ch:5,9.</p> <p>Assignments: Case study & questions</p>
8	<p>Cash Flow Estimation</p> <p>Capital Budgeting Decision Models</p>	<p>Lecture and open debate</p> <p>Discussion: Article: Who Needs Budgets?</p>	<p>Reading: Ross, Westerfield, and Jordan (2020). Ch:5,9.</p> <p>Assignments: Article study & questions</p>
9	<p>Review for the Midterm Exam</p>	<p>Bring questions for our in-class review session</p>	<p>Reading: Review all readings.</p> <p>Assignments: Review all notes and assignments.</p>
MIDTERM EXAM			

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10	The Cost of Capital	Lecture and open debate In class activity: CASE: Hong Kong Dragon Airlines Limited: Determining the Cost of Capital.	Reading: Ross, Westerfield, and Jordan (2020). Ch:12. Assignments: Case study & questions
11	Financial Ratios and Firm Performance Raising Capital & Capital Structure	Lecture and open debate In class activity: CASE: Under Armour Under Pressure: Ratio Analysis.	Reading: Ross, Westerfield, and Jordan (2020). Ch:13,15. Assignments: Case study & questions
12	Financial Ratios and Firm Performance Raising Capital & Capital Structure	Lecture and open debate In class activity: Group Presentations	Reading: Ross, Westerfield, and Jordan (2020). Ch:13,15. Assignments: Group Financial Project Presentations
13	Field Trip	Activity	Assignments: Students will be asked questions related to the visit.
14	Dividends, Dividend Policy, and Stock Splits	Lecture and open debate In class activity: Group Presentations cont.	Reading: Ross, Westerfield, and Jordan (2020). Ch:14 Assignments: Group Financial Project Presentations cont.
15	Review for the Final Exam	Bring questions for our in-class review	Reading: Review all readings. Assignments: Review all notes and assignments.
FINAL EXAM			

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SECTION III: CEA Academic Policies

The policies listed in this section outline general expectations for CEA students. You should carefully review these policies to ensure success in your courses and during your time abroad. Furthermore, as a participant in the CEA program, you are expected to review and understand all CEA Student Policies, including the academic policies outlined on our website. CEA reserves the right to change, update, revise, or amend existing policies and/or procedures at any time. For the most up to date policies, please review the policies on our website.

Class & Instructor Policies can be found [here](#)

General Academic Policies can be found [here](#)