**Principles of Finance**  
FIN 3403 – Section 591 (Mondays) – Spring 2015 – 3 Credits

**INSTRUCTOR:** Richard Borghesi, Ph.D. (Call me Dr. B)  
**TEL:** 941-359-4524 (Voice)  
**OFFICE:** C220  
**OFF. HOURS:** M 4:00 – 6:00 and by appt.  
**WEB:** [http://usfsm.edu/faculty-members/dr-richard-borghesi/](http://usfsm.edu/faculty-members/dr-richard-borghesi/)

**PREREQUISITES:**  
ACG 2071, ECO 2013, and ECO 2023

**COURSE DESCRIPTION:**  
This course provides an introduction to finance and to problems confronting financial managers. Topics include risk, return, time value of money, financial markets, determinants of interest rates, equity and debt valuation, and capital budgeting.

**COURSE OBJECTIVES:**  
In this course you will develop:
- An understanding of overall firm management from the finance perspective of maximizing wealth within the constraints of legal and ethical behavior
- An understanding of the relationships between financial markets and the price of credit
- Knowledge of the role of financial statements in both managing firms and analyzing firms
- The ability to compute the value of cash flows
- An understanding of firms’ use of stocks and bonds and the determinants of stock and bond value
- An understanding of the relationship between risk and return
- Knowledge of the purpose and mechanics of project analysis and the importance of cost of capital

**COURSE LEARNING OUTCOMES:**  
By the end of this course, students should be able to distinguish between different types of financial markets, calculate the value of cash flows, stocks, and bonds, determine project rates of return using IRR and MIRR methods, calculate the required rates of return for stocks and bonds, understand the differences between total risk and market risk, and quantify a firm’s cost of capital.

**COURSE CONTENT AND METHODS OF INSTRUCTION:**  
This course is designed to be a lecture-based class with time allotted for in-class independent problem solving guided by the instructor.

**COURSE MATERIALS:**  
**Required:**
  - If you prefer to have a hard copy of the textbook you can purchase ISBN 9781305132559, which is a bundle including both the textbook and the required Aplia software.
  - You are **required** to read chapters 1 and 5 prior to the first class.
- Course Pack
- Calculator: Hewlett Packard 10BII+
  - You are **required** to bring this calculator to the first class.
  - A common question is: ‘Can I use another type of financial calculator or an engineering/graphing calculator?’  The answer is yes, but only if you come to the first day of class knowing how to set the number of decimal places and periods per year, input and solve for N, I, PV, PMT, and FV, toggle between *begin mode* and *end mode*, use exponents, create an amortization schedule, and solve for mean, standard deviation, NPV, and IRR.
  - If the bookstore is sold out, look elsewhere!  Many other stores (such as Wal-Mart) carry this model.

**Recommended:**  
REGISTERING FOR APLIA:
Connect to http://login.cengagebrain.com/course/ZAJC-NEZY-L554. Follow the prompts to register. If you have already registered an access code or bought Aplia online, the course key to register for this course is ZAJC-NEZY-L554.

WORKING WITH APLIA:
When solving numerical problems on Aplia, DO NOT round any calculations. You must always carry five decimal places. Note that when Aplia shows you the worked-out solution it will sometimes display only two decimal places. However, when internally calculating the final solution, Aplia always tracks all five decimal places.

PERMISSION TO SELL NOTES:
Students are permitted to sell their personal class notes to other students.

CANVAS USE:
All course materials including the syllabus, exam reviews, and exam solutions are posted on Canvas at https://usflearn.instructure.com/.

COMPUTER LAPTOP USE:
USFSM requires all students to have laptops that can be brought with them to class. In this class, students are invited to bring their laptops whenever they wish. Laptops cannot be used during exams.

TEACHING ASSISTANT:
The FIN 3403 teaching assistant, Jackie, is available Monday through Thursday from 10:00 to 5:00 in Room C214. Jackie can help you to study for exams, review general concepts, go over problems, etc. This service is free, so please take advantage. Her email address is chinhpham@mail.usf.edu.

ATTENDANCE AND EXAM MAKE-UP POLICY:
I do not take attendance regularly, but may give extra credit for attendance on randomly selected days. Make-up exams will be an option only to those who provide prior notice and/or have a documented emergency.

KEYS TO SUCCESS:
FIN 3403 contains difficult subject matter. I can tell you from years of experience that you will get far more out of this course (and be much more likely to receive a better grade) if you do each of the following:
- Buy your HP10BII+ calculator immediately
- Read the textbook chapter(s) to be covered before coming to class
- Attend every lecture
- Bring a hard copy of the lecture slides with you to class
- Finish the suggested textbook exercises as soon as possible after each class, since each lecture builds on the prior
- Raise your hand whenever you are stuck; if you have a question, be confident that others have the same question and they too will appreciate hearing an expanded explanation

COURSE OUTLINE:

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Chapter</th>
<th>Topic</th>
<th>Suggested End-of-Chapter Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1/5</td>
<td>1</td>
<td>An Overview of Financial Management</td>
<td>Questions: 1, 2, 4, 5, 6, 7, 8, 11</td>
</tr>
<tr>
<td>2</td>
<td>1/12</td>
<td>5</td>
<td>Time Value of Money (Continued)</td>
<td>Questions: 1, 2, 3, 4, 8</td>
</tr>
</tbody>
</table>
## EXAMS:
Exams will be multiple-choice, and will be very similar to those assigned for homework and those gone over in class. Begin studying by re-reading the posted PowerPoint notes, and refer to the textbook whenever you feel that you need additional explanation. Next, work through the PowerPoint problems presented in class. After this, review the suggested textbook exercises using the solutions posted on Canvas for guidance.

Exam grades will be posted to Canvas, usually within a week after being administered.
COURSE GRADING:
Your final course grade will consist of 11 Aplia quizzes, three midterm exams, and a final exam. The +/- grading system will be used in assigning final grades. You will receive an exam grade before the last day to drop with a ‘W’ (3/21).

<table>
<thead>
<tr>
<th>Item</th>
<th>Points</th>
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<tbody>
<tr>
<td>Aplia Quizzes</td>
<td>200</td>
</tr>
<tr>
<td>Exam 1 – (1/26) – 5 Points/Problem x 20 Problems</td>
<td>100</td>
</tr>
<tr>
<td>Exam 2 – (2/23) – 5 Points/Problem x 20 Problems</td>
<td>100</td>
</tr>
<tr>
<td>Exam 3 – (3/30) – 5 Points/Problem x 20 Problems</td>
<td>100</td>
</tr>
<tr>
<td>Final Exam – (4/27) – 5 Points/Problem x 40 Problems</td>
<td>200</td>
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<tr>
<td>Total Points</td>
<td>700</td>
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<table>
<thead>
<tr>
<th>Total Points</th>
<th>Course Grade</th>
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<tbody>
<tr>
<td>625 +</td>
<td>A-Range</td>
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<tr>
<td>550 – 624</td>
<td>B-Range</td>
</tr>
<tr>
<td>475 – 549</td>
<td>C-Range</td>
</tr>
<tr>
<td>400 – 474</td>
<td>D-Range</td>
</tr>
<tr>
<td>&lt; 400</td>
<td>F</td>
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ACADEMIC DISHONESTY:
The University considers any form of plagiarism or cheating on exams, projects, or papers to be unacceptable behavior. Please be sure to review the university’s policy in the catalog, USFSM Undergraduate Catalog or USFSM Graduate Catalog, the USF System Academic Integrity of Students, and the USF System Student Code of Conduct.

ACADEMIC DISRUPTION:
The University does not tolerate behavior that disrupts the learning process. The policy for addressing academic disruption is included with Academic Dishonesty in the catalog: USFSM Undergraduate Catalog or USFSM Graduate Catalog, USF System Academic Integrity of Students, and the USF System Student Code of Conduct.

CONTINGENCY PLANS:
In the event of an emergency, it may be necessary for USFSM to suspend normal operations. During this time, USFSM may opt to continue delivery of instruction through methods that include but are not limited to: Canvas, Elluminate, Skype, and email messaging and/or an alternate schedule. It’s the responsibility of the student to monitor Canvas site for each class for course specific communication, and the main USFSM and College websites, emails, and MoBull messages for important general information. The USF hotline at 1 (800) 992-4231 is updated with pre-recorded information during an emergency. See the Safety Preparedness Website for further information.

DISABILITIES ACCOMODATION:
Students are responsible for registering with the Office of Students with Disabilities Services (SDS) in order to receive academic accommodations. Reasonable notice must be given to the SDS office (typically 5 working days) for accommodations to be arranged. It is the responsibility of the student to provide each instructor with a copy of the official Memo of Accommodation. Contact Information: Disability Coordinator, 941-359-4714, disabilityservices@sar.usf.edu, http://www.usfsm.edu/students/disability/.

FIRE ALARM INSTRUCTIONS:
At the beginning of each semester please note the emergency exit maps posted in each classroom. These signs are marked with the primary evacuation route (red) and secondary evacuation route (orange) in case the building needs to be evacuated. See Emergency Evacuation Procedures.

RELIGIOUS OBSERVANCES:
USFSM recognizes the right of students and faculty to observe major religious holidays. Students who anticipate the necessity of being absent from class for a major religious observance must provide notice of the date(s) to the instructor, in writing, by the second week of classes. Instructors canceling class for a religious observance should have this stated in the syllabus with an appropriate alternative assignment.

WEB PORTAL INFORMATION:
Every newly enrolled USF student receives an official USF e-mail account. Students receive official USF correspondence and Canvas course information via that address.