

**Mercer University - Stetson School of Business and Economics**  
**Summer I Semester, 2010**

**FIN 362.A12: Principles of Finance**

Office Hours: Wednesday, 4-6 p.m.

By appointment Monday-Friday

Office Location: Business Building 227

Professor: Dr. Nancy Jay

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Blackboard course

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**Course Description:** The course is taught from the viewpoint of a corporate financial manager trying to maximize stockholder wealth. Topics covered include corporate taxation, time value of money, risk and rates of return, funds flow, working capital management, capital budgeting, cost of capital and dividend policy. Lecture and problems.

**Class Objectives:** The objectives of this course are  
to provide an overview of the field of finance,  
to explain the role of financial management in the firm, and  
to discuss the basic concepts and analytical tools of finance.

**Prerequisites:** ECN 150; ACC 204; and MATH 130 or MAT 133.

**Textbook and Other Materials:** Financial Management, Principles and Applications, 10th edition, Keown, Martin, Petty, and Scott, Prentice Hall, ISBN 0-13-145065-4

**Required Materials:** Financial calculator that can process uneven cash flow streams and internal rate of return. We will be using the HP 10B II for demonstration purposes in class.

**Class Assignments and Evaluation**

**Non-graded work:** After a lecture on each chapter, problem sets will be demonstrated and homework problems assigned. Homework will not be collected or graded but it is essential for the successful completion of the course.

**Quizzes:** During the next class period following the completion of a chapter, a quiz will be given on the chapter material and problems. Students will first take this quiz individually, followed by the same quiz taken by the assigned teams. Scores for each quiz will be based on a weighted average of 80% for the individual quiz score and 20% for the team score. There will be no make-up quizzes, but the lowest grade will be dropped for the final quiz score.

**Case problems:** Case problems, when assigned, will be written and submitted for extra credit.

**Project:** No projects are required.

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**Final Exam:** One exam will be given during the last class period. This will be a comprehensive exam and will count as 30% of the final grade.

**Grading Structure:**

A	90-100	C+	77-79
B+	87-89	C	73-76
B	83-86	C-	70-72
B-	80-82	D	60-69
		F	below 60

**Evaluation Criteria:**

Quizzes	70% (Average of all quizzes dropping the lowest)
Exam	30%
Cases	extra credit, 1 point each on final grade

**Instructional Design:**

Each class will consist of Chapter lecture, Problem demonstration, and Quiz

**Mercer University Honor Code and Council**

*(See Mercer catalog for more detailed information)*

**Honor Code** Mercer University Atlanta expects each and every student to maintain the highest principles of academic honesty and integrity. Violations of academic honesty represent a breach of the University's expectations and will be regarded as a serious matter. Violations include, but are not limited to, plagiarism, cheating, lying, and stealing.

**Disability Support Services:**

Students with a documented disability should inform the instructor at the close of the first class meeting. The instructor will refer you to Richard Stilley, Assistant Dean for Student Life (tel: 678-547-6823; Sheffield 212), for consultation regarding evaluation, documentation of your disability, and recommendations for accommodation, if needed. More information can be found at [www.mercer.edu/stu\\_support/swd.htm](http://www.mercer.edu/stu_support/swd.htm)

**Inclement Weather:**

Inclement Weather: If severe weather occurs, classes will be canceled in accordance with the Associate Provost's decision of Mercer-Atlanta. Call the Mercer weather phone for information about class cancellations—(678) 547-6111 (Atlanta) or listen to WSB 750 AM.

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**I. Protocol for Electronic Submission of Course Work:**

**This is the University policy for electronic submission. However, electronic submissions will not be accepted in this class.**

Students bear sole responsibility for ensuring that papers or assignments submitted electronically **to a professor** are received in a timely manner **and in the electronic format(s) specified by the professor**. Students are therefore obliged to have their e-mail client issue a receipt verifying that the document has been received. Students are also strongly advised to retain a copy of the dated submission on a separate disk. Faculty members are encouraged, but not required, to acknowledge receipt of the assignment.

**II. Protocol for use of Cell Phones**

Out of courtesy for all those participating in the learning experience, **all cell phones must be turned off** before entering any classroom, lab, **or formal academic or performance event**.

**III. Protocol for Wait List**

The names recorded on the wait lists are in order of demand. Wait listed students will be placed into courses as seats become available. Generally speaking, the first student on the wait list will be awarded the first available seat, although circumstances may arise which warrant exceptions to this general principle. Wait lists for the Capstone Courses are the most noteworthy exception to this policy.

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***Course Reading and Learning Schedule***

<u>Session</u>	<u>Preparation</u>	<u>Topic</u>
1	Ch. 1	An Introduction to Financial Management - goal of the firm, agency problems, ethics and responsibility, tax environment, and principles of finance. Extra Credit: Living and Dying with Asbestos Case Problem.
2	Ch. 14	Raising Capital in the Financial Markets - components of financial environment, investment banking, interest rates, and market terms and quotes.
3	Ch. 6	Risk and Rates of Return – beta, capital asset pricing model. Homework: 6-4A, 6-6A, 6-10A, 6-13A
3&4	Ch. 5	The Time Value of Money - lump sums, annuities, uneven cash flows, perpetuities, loan amortization. Homework: 5-1A to 5-21A and 5-23A to 5-36A
5	Ch. 7	Valuation and Characteristics of Bonds - factors involved in financial asset valuation, valuation models. Homework 7-6A, 7-9A
	Ch. 8	Stock Valuation - factors involved in financial asset valuation, valuation models. Homework: 8-4A, 8-5A, 8-8A, 8-10A
6	Ch. 10	Cash Flow and Other Topics in Capital Budgeting Ch. 9 Capital Budgeting Techniques - project accept/reject decision criteria. Homework: 10-9A Homework: 9-2A, 9-3A, 9-5A, 9-11A Extra Credit: Ford's Pinto Case Problem.
7	Ch. 12	Cost of Capital Ch. 17 Dividend Policy and Internal Financing – Theory, terms and practices; stock splits; and stock repurchases. Homework: 12-6A to 12-9A, 12-12A
8	Comprehensive Final Exam	