COURSE DESCRIPTION

This is to introduce the students to basic understanding of financial management. It is intended to provide an overview of the managerial finance function as it relates to the time value of money, the financial decision-making, the risk-return tradeoff, and an introduction to the fundamental concepts of finance theory.

COURSE MATERIALS

2. Lecture notes (which will be available on Blackboard)
3. Calculator (scientific or financial)

Note:
The required textbook for Introduction to Finance (33:390: 203) is a customized book published by McGraw-Hill. It consists of only chapters you’ll be responsible for and packaged with a Connect plus access code. Connect is an online assignment and assessment tool you’ll use to submit homework, work practice problems and includes an adaptive study tool: Learn smart and an eBook. Students should be able to access

Connect’ by opening the account. To open the Connect account, students need the Connect plus code which comes together with the textbook.

Note:
To Register for Connect, cut and paste the following section specific URL into a new browser window:


Click “register now”.

Enter your e-mail address. If you’re registered for Connect previously or concurrently in another course use that same e-mail.
If you purchased a new custom book, enter the 20 digit registration code in the appropriate boxes and complete the registration process. You’ll have access to Connect and the eBook for 180 days.

If you’re lacking the funds to purchase the book or not sure you intend to remain in the course, you can test drive the E-book option by selecting “start courtesy access” on the registration page. This provides access to the e-book and connect assignments for 2 weeks from January 26, 2015. At the end of which you’ll need to enter an access code for a new book or purchase access online.

If you encounter any issues registering you need to contact McGraw-Hill’s care group at 1-800-331-5094. Or: http://mpss.mhhe.com/

ACADEMIC INTEGRITY and CODE OF CONDUCT

I do NOT tolerate cheating. Students are responsible for understanding the RU Academic Integrity Policy (http://academicintegrity.rutgers.edu/files/documents/AI_Policy_2013.pdf). I will strongly enforce this Policy and pursue all violations. All students are expected to know, understand and live up to the standards of academic integrity and code of student conduct explained at http://judicialaffairs.rutgers.edu/academic-integrity http://judicialaffairs.rutgers.edu/university-code-of-student-conduct

ATTENDANCE AND CLASSROOM CONDUCT

Students are responsible for everything that is announced, presented or discussed in class, and are responsible for all work missed during an absence, no matter what is the reason for the absence. The way to make a good understanding associated with this course is to attend class. Attendance is required and there is a strong correlation between attendance and grades. We are all responsible for maintaining a classroom environment that is conducive to learning and discussion. We need to create a respectful learning environment:

- That the instructor and students notice and respect each other.
- Respect includes appropriate humor, enjoyment, or other indications of a comfortable and pleasant classroom community.
- Expect me to arrive on time for each class session. I expect the same of you.
- Expect me to remain for the entirety of each class session. I expect the same of you.
- We are on time for class: no late arrivals and no packing up early.
- We avoid disruptions during class such as private conversations, reading newspapers, use of a cell phone (make sure if it is turned off before the class), using a laptop for something other than current classroom work, and, of course, sleeping.
- For weather emergencies, consult the campus home page. If the campus is open, class will be held.
- IMPORTANT!!!: Please turn off and stow away all electronic devices during class.
FINAL GRADE ASSIGNMENT

Course grades are determined as follows:

Midterm exam #1: 20%
Midterm exam #2: 20%
Final exam: 35%
HW Assignments 15%
Class participation & attendance 10%

• All exams are of a format in closed-book and closed-notebook. Only two items are allowed: a calculator and pens/pencils.
• The homework assignments are given through ‘Connect’.
• I do not give make-up exams/quizzes, except for very rare cases such as hospitalization.
• The final grade will be determined based on the aggregated score of all of the above categories.
• No extra credit or work will be given in any circumstances.
• Your final grade is not subject to negotiation. If you feel I have made an error, submit your written argument to me within one week of receiving your final grade, together with all due supporting documentation. I will adjust grades only if I have made an error.

Finance (33:390:203)

COURSE SCHEDULE

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>A brief review of Financial Statements and Cash Flows</td>
</tr>
<tr>
<td>3</td>
<td>A brief review of Working with Financial Statements</td>
</tr>
</tbody>
</table>
| 5       | Introduction to Valuation: The Time value of Money  
          - Future value and compounding  
          - Present value and discounting |
6 Discounted Cash Flow Valuation
   - Annuities, Perpetuities
   - APR, EAR, Loan amortization

Midterm exam 1

7 Interest Rates and Bond Valuation
   - Bonds and bond valuation
   - Bond features, Types of bonds, Inflation and interest rates

8 Stock Valuation
   - Common stock valuation
   - Features of common stocks and preferred stocks

Midterm exam 2

9 Investment Criteria
   - Net present value (NPV)
   - Payback rule, AAR, IRR , Profitability index

10 Making Capital Investment Decisions
   - Project and incremental cash flows
   - Pro Forma financial statements and project cash flows
   - Operating cash flows

12 Capital Market History
   - Historical return characteristics in the U.S.
   - Individual stocks and market indexes

13 Risk and Return
   - Expected returns and variances
   - Individual securities vs. portfolios
   - Benefits of diversification, systematic and unsystematic risk