

**THE OHIO STATE UNIVERSITY**  
**BUSINESS FINANCE 420**  
 CLASS INFORMATION

INSTRUCTOR	Harold J. Green (Hal) MA (Economics), MBA
PHONE NUMBERS	OSU Office – 614 – 688 - 4983 Business office - 614-818- 9468
OFFICE HOURS	Office at Fisher 718. Available 3:30-5:00 TR, 9:30-12:00 MW or by Appointment
EMAIL	<a href="mailto:green.688@osu.edu">green.688@osu.edu</a>
CLASS TIME	Tuesday/Thursday 1:30 – 3:18 PM
COURSE DESCRIPTION	This course provides an introduction to the field of finance. The course explores three general skills required not only of corporate financial managers, but also of all persons who seek to manage their own financial affairs: <ul style="list-style-type: none"> <li>● The valuation of uncertain future cash flows</li> <li>● The nature of financial risk</li> <li>● The relation between financial risk and return.</li> <li>● Using this information in your personal financial situation</li> </ul>
COURSE OBJECTIVES	Students who complete this course will have examined the following topics: <ul style="list-style-type: none"> <li>● Finance and the financial infrastructure of the US economy</li> <li>● The time value of money (introduction to cash flow valuation)</li> <li>● Valuing corporate securities (stocks and bonds)</li> <li>● Valuing business investment projects (introduction to capital budgeting)</li> <li>● The basics of investment return and risk</li> <li>● Pricing financial risk (the Capital Asset Pricing Model)</li> <li>● Investment information and transactions (investing in stocks and bonds)</li> <li>● Mutual funds and professional investment management</li> <li>● Asset allocation and personal investment decisions</li> <li>● Personal financial issues (money management, tax planning, consumer credit, financing issues, insurance)</li> </ul>
LOCATION	HH 180
TEXTBOOK	Customized Text (part from Ross-Westerfield-Jorden (RWJ)– Essentials of Corporate Finance and part from Kapoor-Dlabay-Hughes (KDH)– Focus on Personal Finance) ISBN 0697735400

Required Calculator

- If you do not already own one, you should purchase a financial calculator, such as the HP-12C or TI-83 (which have pre-programmed financial functions). You may use a scientific calculator in the course, but you will find some calculations tedious (and time-consuming).
- PDAs, laptops and similar devices, which have the capability to store text, may **NOT** be used on exams. Should you have questions about the “suitability” of a
- calculator for this course, including its use on exams, please see the instructor.

*PowerPoint Lecture Slides*

Each lecture is organized around a series of PowerPoint slides. Lecture slides are posted to the website on a flow basis during the quarter; you should check the website before each class for the slides to be used during that class.

*Suggested Readings*

*The Wall Street Journal*

*Barron's*

*Business Week*

*The Economist*

*Fortune*

*Forbes*

*US News & World Report*

All these publications have websites (with free content), in addition to the print (hardcopy) editions.

You can find these publications (and more) in the Library of the Fisher College of Business, located on the first floor of Mason Hall in the Fisher Complex.

**CARMEN COURSE WEBSITE**

The course website is located on CARMEN. The following table provides information on accessing the website for this course. You must be registered for the course to access the course website.

<b>Course URL:</b>	<a href="http://carmen.osu.edu">http://carmen.osu.edu</a>
<b>ARMEN</b>	<p>Click on the <b>Logon to my CARMEN</b> link. <b>CARMEN</b> will ask for a username and password. For <b>username</b>, enter your OSU Internet username (the portion of your e-mail address before the "@osu.edu"):</p> <p><i>Example:</i> OSU email address: <b>smith.123@osu.edu</b> CARMEN username: <b>smith.123</b></p> <p>For <b>password</b>, enter the same password you use for your OSU e-mail and to enroll online for courses.</p> <p>Once you are logged on, you will see a list of courses for which you are registered that use CARMEN. Click the link for Business Finance 420.</p> <p>If you are not registered for Business Finance 420, you will not be able to logon to the course website.</p>
<b>Activate Email:</b>	<b>Visit <a href="http://www.oit.ohio-state.edu/userpass.html">http://www.oit.ohio-state.edu/userpass.html</a> [click on HOW TO ACTIVATE] or Call 688-HELP</b>

***CARMEN Basics***

- The information presented in the table immediately above will enable you to access the course website.
- Students are expected to have activated and accessed the class website ***before the second class meeting.***
- Students are responsible for checking the course website on a regular basis for new information that might have been posted.
- Students should check their grade record on CARMEN after each exam, to make sure all grades have been recorded correctly.

## IMPORTANT COURSE RESOURCES FOUND ON THE COURSE WEBSITE:

Course syllabus  
Course announcements  
Supplemental course material used (or mentioned) in class  
Posted exam scores (privately for each student)  
Sample exam questions (USE THESE, YOU MAY FIND SOME ON THE TESTS)  
Exam formula sheets

## EXAMINATIONS

- There will be three exams during the course. Each exam will cover certain chapters in the course text. The chapters covered by each exam can be found in the *Course Schedule* (see below). All exam questions follow a multiple-choice format.
- You will be provided with a *Formula Sheet* for use on each exam (get off the website). I plan to post a copy of the Formula Sheet on the course website for your review. It will be used in all three exams. Make sure you bring a copy to the exams. By giving students formula sheets on exams, we hope to reduce the amount of time too many students waste memorizing mathematical expressions, rather than working to understand important financial concepts.
- You also will be provided with a set of *sample questions* of each exam. These will be posted on the course website for your review, and are intended to give you an idea of how actual exam questions will look and also an opportunity to check your understanding of financial concepts and techniques by using the questions in a simulated exam. Each set of multiple-choice, sample questions includes an answer key. These questions will look most like the exam questions. **You should do a select number of these questions in each chapter.**
- You should bring to each exam (1) your calculator, (2) several #2 pencils, which you will need for the “bubble” sheet, and (3) a valid picture ID. You will not be permitted to take an exam, if you are asked to present a *valid photo ID* and do not have one.
- All exams are “closed book.” Except for a Formula Sheet (if provided), you may NOT use any reference material to help you answer exam questions.
- As a general rule, make-up exams are not given in this course. However, a student may be allowed to take a make-up exam, if in the opinion of the instructor, there are special or extenuating circumstances. Without permission to take a make-up exam, failure to take an exam will result in a grade of zero on the exam in question. Under no circumstances will a student be excused from an exam.

### ***IMPORTANT NOTICE CONCERNING CELL PHONES AND OTHER ELECTRONIC DEVICES DURING EXAMS***

You MAY NOT have a cell phone or any other electronic device (other than your calculator) in your possession during an exam. All such devices you bring into the classroom on the day of an exam must be stowed in envelopes provided by the exam proctors. We do not assume any responsibility for the electronic gear you bring to an exam, which you stow with the proctors during the exam. Your failure to follow this rule will be treated as an academic violation.

## COURSE GRADING POLICY

- Your final course grade will be determined by the following:

Exam 1	Grading = 35 Points
Exam 2	Grading = 35 Points
Final Exam	Grading = 30 Points

- To determine your course grade, you simply add up the number of points you received on each test. So, if you received a 30 on test 1, a 30 on test 2, and a 25 on test 3, you got 85 points or a B. Normally, I have one or two (maybe 10) students who score 100 points. Since curves are based on giving the best student 100 points, don't count on a curve (since these best students may already have 100 points) to improve your grade. If I do curve, the curve will be done only on the final number of points attained (not on each test). Based on the number of points attained, your grade is as follows:

93-100	A	73-76	C
90-92	A-	70-72	C-
87-89	B+	67-69	D+
83-86	B	63-66	D
80-82	B-	60-62	D-
77-79	C+	0-59	E

- I reserve the right to change entries on the course website, should we determine such entries were posted incompletely or incorrectly.

## ACADEMIC MISCONDUCT/SPECIAL REQUIREMENTS

- In accordance with *University Faculty Rule 3333-5-487*, all instances of alleged academic misconduct will be reported to the Committee on Academic Misconduct, which recommends appropriate sanctions to the Office of Academic Affairs.
- We aggressively pursue violations of University standards on academic conduct.
- Students be warned.....I tend to give you 4 or 5 versions of the same test. So, while your neighbor may have the right answer to question 5, it may be the wrong answer to the question 5 on your test.
- Any student who feels he or she needs an accommodation based on the impact of a disability should contact me privately to discuss his or her specific needs.

## COURSE SCHEDULE

The following course calendar presents the schedule for:

- lecture topics; reading and problem assignments in the required course text; exams and exam review sessions; and other significant course business.

Unless otherwise indicated, all reading assignments published in this syllabus can be found in the required course textbook (see *Required Course Text*, above).

Your course textbook has a set of questions at the end of each chapter (the “Chapter :Do questions & problems”) designed to help you assess your understanding of chapter topics. Some of these problems have been selected from each chapter and appear on the following *Course Schedule* (see “End-of-Chapter Problems”). You should try to answer these problems after you finish reading a chapter, to check your understanding of the topics covered. Detailed solutions to ALL end-of-chapter problems are posted to the course website (McGraw Hill...not Carmen...or I can work them out with you)

DATE	SUBJECT	READING/ASSIGNMENT (assignment to be done prior to class)
9/20	COURSE ADMINISTRATION AND INTRODUCTION Meet the Professor/Review the syllabus Discussion of course policies/procedures Review Chapter 1	Read Chapter 1 (RWJ) THESE HW ASSIGNMENTS ARE ASSIGNED TO HELP YOUR UNDERSTANDING OF THE MATERIAL
9/25	FINANCIAL STATEMENTS, TAXES, AND CASH FLOW Review Chapter 2	Read Chapter 2 (RWJ)
9/27	WORKING WITH FINANCIAL STATEMENTS Review Chapter 3	Read Chapter 3 (RWJ)
10/2	INTRODUCTION TO VALUATION: THE TIME VALUE OF MONEY Review Chapter 4	Read Chapter 4 (RWJ)
10/4	Catch-up and Questions	
10/9	DISCOUNTED CASH FLOW VALUATION Review Chapter 5	Read Chapter 5 (RWJ)
10/11	REVIEW SESSION FOR EXAM 1 Review material covered to date in Chapters 1, 2, 3, 4, 5 Bring questions to class for discussion	
10/16	EXAM 1 Material covered to date in Chapters 1 – 5 (RWJ) During the regular class period In Regular Classroom Photo ID Required Remember to bring your calculator, several number 2 pencils, and a valid photo ID	
10/18	INTEREST RATES AND BOND VALUATION Review Chapter 6	Read Chapter 6 (RWJ)
10/25	EQUITY MARKETS AND STOCK VALUATION Review Chapter 7	Read Chapter 7 (RWJ)

10/25	NET PRESENT VALUE AND OTHER INVESTMENT CRITERIA Review Chapter 8	Read Chapter 8 (RWJ)
10/30	INTRODUCTION TO FINANCIAL MANAGEMENT Review Chapter 9	Read Chapter 9 (RWJ)
11/1	LEVERAGE AND CAPITAL STRUCTURE Review Chapter 13 – BLUE Book (290 - 297) & (303 – 309) OR RED Book (394-400) & (407-417) REVIEW SESSION FOR EXAM 2 Review material covered to date in Chapters 6, 7, 8, 9, 13.	Read Chapter 13 (RWJ - Designated Parts)
11/6	EXAM 2 Material covered to date in Chapters 6, 7, 8, 9, 13 (RWJ) During the regular class period in Regular Classroom Photo ID Required Remember to bring your calculator, a few number 2 pencils, and a valid photo ID	
11/8	MONEY MANAGEMENT SKILLS & TAXES IN YOUR FINANCIAL PLAN Review Chapter 2 & 3	Read Chapter 2 & 3 (KDH)
11/13	SAVINGS AND PAYMENT SERVICES Review Chapter 4 CREDIT: ADVANTAGES, DISADVANTAGES, SOURCES AND COSTS Review Chapter 5	Read Chapter 4 (KDH) Read Chapter 5 (KDH)
11/15	SELECTING AND FINANCING HOUSING Review Chapter 7	Read Chapter 7 (KDH)
11/20	HOME/AUTOMOBILE INSURANCE HEALTH/DISABILITY INCOME INSURANCE Review Chapter 8 & 9	Read Chapters 8 & 9 (KDH)
11/22	Happy Thanksgiving	
11/27	REVIEW SESSION FOR FINAL EXAM Review test material in Chapters 2, 3, 4, 5, 7, 8, 9 (KDH) Bring questions to class for discussion Speaker – Dave Williams (Edward Jones) on saving/investment strategies	
11/29	Graduating Senior Final (all students eligible to take). Study Day for all others Final will be given as scheduled for those that do not want to take it with the graduating seniors	

Final: Chapters 2,3,4,5,7,8,9 (KDH)

At scheduled time in Regular Classroom; Photo ID Required  
Remember to bring your calculator, a few number 2 pencils, and a valid photo ID