

San José State University
College of Business/Department of Accounting & Finance
BUS1 170, Fundamentals of Finance, Sections 5 and 11, Fall 2017

Course and Contact Information

Instructor:	Laura Roden
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Email:	Laura.Roden@SJSU.edu
Office Hours:	MW 8:00-8:45am DROP-IN MW 12:00-2:45pm BY APPOINTMENT
Class Days/Time:	Section 5 MW from 9:00-10:15am Section 11 MW from 10:30-11:45am
Classroom:	BBC 003
Prerequisites:	BUS 21 or BUS 122A, ECON 1A, ECON 1B and BUS 90
SI Peer Leaders:	Section 5: Tiffany Chao, tiffany.chao@sjsu.edu Section 11: Qurat Ul Ain Syeda, quratulain.syeda@sjsu.edu

Course Format

This course will utilize a standard classroom lecture and textbook format. Lectures will typically be supported by powerpoint slides which are for presentation support only; slides may or may not be posted and should not be considered replacements for the textbook material. All students are required to access the Canvas system on a regular basis for homework assignment details and submissions, announcements, and grading information. Additionally, students are requested to download the Canvas Lock Down Browser on a wireless network enabled device of their choosing (tablet or laptop) that can access Canvas from the classroom, and bring the device to every class session in order to take quizzes and tests. Paper versions of quizzes and tests will be available for students without enabled devices but students using paper tests must come to office hours to review graded tests.

Faculty Web Page and Messaging

The initial version of the Syllabus can be found on my public faculty web page at www.sjsu.edu/people/laura.rodén. Detailed and updated course materials such as syllabus, handouts, notes, assignment instructions, etc. can be found on the [Canvas learning management system](http://sjsu.instructure.com) course website at <http://sjsu.instructure.com>. The daily assignment details and quiz dates that appear on the initial syllabus only represent the general plan for the course: these WILL change throughout the semester based on the pace of the class, the availability of new learning materials, and other updates. STUDENTS ARE RESPONSIBLE FOR FOLLOWING THE ASSIGNMENT INSTRUCTIONS AND TEST DATES POSTED IN CANVAS "ASSIGNMENTS," NOT THE SYLLABUS. Students are also responsible for regularly checking Canvas for

important “Announcements” and for feedback on individual assignments (shown in the “Comments” section of each Assignment Submission.)

Course Description

The finance function and its relationship to other decision-making areas in the firm; the study of theory and techniques in acquisition and allocation of financial resources from an internal management perspective. This information is relevant to all business professionals, whether in finance, accounting, marketing, operations, human resources, engineering, or general management. It also has many practical applications of everyday life.

This course is very intensive. It requires learning and memorizing a large amount of business vocabulary and many calculations, most of which will be new to you. It requires a disciplined study approach from the beginning, since each concept builds on the previous one. Success in this course requires attendance at lectures, timely completion of homework reading, and self-grading of homework study problems, as well as prompt outreach for assistance from the professor and/or tutorial center as soon as any questions arise. There are frequent graded in-class quizzes designed to incentivize students to stay current with all assignments; these quizzes cannot be “made up” if class is missed, and in total account for a substantial proportion of the class grade. It is NOT recommended that this course be attempted in conjunction with an otherwise heavy academic unit and/or work schedule, or with insufficient prerequisites.

Course Goals

BS/BA Program Learning Goals

Goal One: Business Knowledge

Understand basic business principles and demonstrate discipline-specific competencies as applied to local and global environments.

Goal Two: Communication

Communicate ideas clearly, logically, and persuasively in oral and written format, using technology appropriately.

Goal Three: Ethical Awareness

Recognize, analyze, and articulate solutions to ethical issues that arise in business.

Goal Four: Leadership, Teams and Diversity

Comprehend the challenges and opportunities of leading and working in diverse teams and environments.

Goal Five: Critical Thinking

Comprehend, analyze, and critically evaluate complex and unstructured qualitative and quantitative business problems, using appropriate tools and technology.

Goal Six: Innovation

Recognize, analyze, and articulate strategies for promoting creativity and innovation.

Learning Outcomes

Course Learning Outcomes (CLO)

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

LO1 Demonstrate an understanding of financial analysis – CBPG #5. Critical Thinking

LO2 Demonstrate an understanding of time value of money - CBPG #5. Critical Thinking

LO3 Demonstrate an understanding of financial valuation - CBPG #5. Critical Thinking

LO4 Demonstrate an understanding of real asset valuation - CBPG #5. Critical Thinking

LO5 Demonstrate an understanding of risk & return - CBPG #5. Critical Thinking

Required Texts

Textbook

Foundations of Finance, 9th edition

Authors Keown/Martin/Petty

Publisher Pearson January 4, 2016

ISBN-10: 0134083288

ISBN-13: 978-0134083285

The book is available at the bookstore and from online sellers such as Amazon. You may buy a used/earlier edition (you do NOT need the online Access Code) but you will be responsible for figuring out differences in page numbers, chapter numbers, or homework problem details.

Other Readings

Internet Research: several assignments require internet research using search engines and websites such as Google and Yahoo Finance; none require purchase of paid content.

Bloomberg Certifications: some assignments require use of the Bloomberg Terminals which are provided free of charge at various SJSU locations, which have specific hours of operation: students are responsible for arranging their schedules to ensure completion of these assignments by the due dates indicated on the syllabus. Detailed instructions for completing the Bloomberg assignments are posted in “Canvas Files.”

A Vocabulary/Concept Outline will be posted online in “Canvas Files” for this course before the start of the semester which lists the topics that may appear on tests. Students should print this outline, bring it to every class, make notes on it to ensure understanding of each item as we cover it, and ask questions immediately if unclear. It should also be used to take notes while reading homework assignments. If this practice is followed, at the end of each course segment students will have a thorough knowledge of the material to be tested. There will not be a separate study guide provided.

A “Testing Your Calculator” document will be posted in “Canvas Files” for this course before the start of the semester which lists several types of calculations that you are responsible for learning throughout the semester. Students should print this document and practice the calculations using the calculator they will use for this course (see “Other Equipment”), and see me for help if needed, BEFORE these problems appear on quizzes.

Additional required reading material and study aids will be posted on “Canvas Files” throughout the semester: see individual Assignments posted on Canvas for instructions on what must be completed by specified assignment dates.

Other equipment / material

Financial Calculator: every student must bring an approved, non-networked financial calculator to every class and exam session: the approved calculator models are HP10bii (easiest to use), the TI BAIIplus, and the HP 12c (recommended for students who intend to pursue a career in finance). No networked (phone or other)

calculators will be permitted to be used during class and exams. Some instruction will be given regarding the class-specific use of these calculators, but students are responsible for familiarizing themselves with basic operations using the manual or the many free online guides, YouTube videos, etc.. These calculators are widely available at book stores, office supply stores, and online (where used models are very inexpensive.) Any calculator other than these three models will NOT provide the functionality needed to solve problems in this course, unless it is a “programmable” calculator running a finance “program” to emulate a financial calculator. Such a program must, at a minimum, be designed to solve for NPV, IRR, PV, and FV. Students choosing to use programmable calculators are “on their own” in terms of responsibility for learning to use these programs and ensuring they are functioning correctly.

Canvas Lock Down Browser: students are requested to download the Canvas Lock Down Browser on a wireless network enabled device of their choosing (tablet or laptop) that can access Canvas from the classroom, and bring the device to every class session in order to take quizzes and exams. Paper versions of quizzes and exams will be available for students without enabled devices, but these exam results may only be reviewed during office hours.

Scantrons: each student should bring at least 1 form 882 (narrow, 100 question) Scantron and a pencil to each class in case they elect to take paper-based quizzes and exams, or have trouble accessing Canvas online.

Course Requirements and Assignments

SJSU classes are designed such that in order to be successful, it is expected that students will spend a minimum of forty-five hours for each unit of credit (normally nine hours per week for a 3 unit class), including preparing for class, participating in course activities, completing assignments, and so on.

SEGMENT EXAMS: A Segment Exam with 15-25 available points will be given in class at the completion of each Segment, targeted at testing your learning of the following topics:

Segment I: General Finance Topics

Segment II: Financial Reporting & Analysis

Segment III: Time Value of Money

Segment IV: Equity and Capital Structure

Segment V: Working Capital and Cash Flow Forecasting (no separate Segment Exam but this information will be included on the Final Exam)

HOMEWORK and HOMEWORK CHECK QUIZZES: Homework is assigned for every class, and tested on a Homework Check Quiz, usually in advance of the lecture on the respective topic, since the lecture is designed to highlight and elaborate on the reading and homework material after the student has already absorbed it - not replace it. The Homework Check Quizzes are there as an added incentive to keep up with the homework readings, which is proven to be a key to success in this and other courses. Homework solutions to calculation problems will be posted so that you can self-check your work before the class in which the homework is due: you are responsible for attempting solutions, and seeing me promptly in office hours before the due date if you have questions

Some homework assignments require submission and are graded (from 5-15 points available per assignment, depending on assignment).. Homework assignments that require submission must be submitted in the format and by the due date indicated in Canvas. If there is a technical problem submitting homework through Canvas, homework must be submitted in “paper” form at the start of class. No emailed homeworks will be accepted to avoid disputes regarding technical problems, formatting, etc. ALL LATE homeworks must be submitted in “paper” form, and will be subject to at least a 50% point deduction.

Homework requiring an essay or write-up will be graded primarily on content, specifically focusing on a) what you learned and b) how it is relevant to the concepts you are studying in this course. Write-ups must be spell-

and grammar-checked and proofread as you would business correspondence being submitted to management or a client: write-ups that contain spelling, grammar, vocabulary usage, or other errors will be subject to a point deduction ranging from 10-50% depending on severity of the issues. Writing help is available from several University resources as described below; if you wish to learn more about these, see me immediately, do not wait to lose points. ANY form of plagiarism on write-ups will result in a ZERO or NEGATIVE point score AND it will be reported to the University.

NOTE that no Canvas-based tests may be taken outside of a proctored environment unless I specifically approve it in writing in advance. If you take a quiz on Canvas outside an approved proctored environment (the classroom, the AEC lab, or another environment I provide advance approval for) you will be given a zero or negative score. No quizzes in this course are "open book" and it would not be fair to your fellow students who are being proctored.

University policy F69-24 at <http://www.sjsu.edu/senate/docs/F69-24.pdf> states, "Students should attend all meetings of their classes, not only because they are responsible for material discussed therein, but because active participation is frequently essential to insure maximum benefit for all members of the class."

Final Examination

A cumulative, comprehensive final exam will be given on the date set by the University.

Grading Information

Grading will be based on the following, subject to any posted changes:

4 Segment Quizzes x average 15-25 points each = 75-100 points

2 Bloomberg Certifications and write-ups x 15 points each = 30 points total

10-30 points for other turned-in assignments TBA

Approximately 20 "Homework Check" quizzes x 3-5 points each = 60-100 points

1 comprehensive Final Exam x 50 points = 50 points

Total available points approximately 250-300

Additional quizzes/points may be added if needed to focus attention on sub-topics, which may change the relative assignment weights.

Quiz dates shown on the syllabus schedule are approximate: they may be adjusted depending on quickly we get through each Segment's materials. No make-ups will be offered for Homework Check quizzes. Makeups on Segment Quizzes and Final Exam will ONLY be offered at my discretion, and only in the documented event of an unforeseen emergency which physically prevented the student from taking the test; I also may choose to substitute an alternative point-earning opportunity rather in place of a makeup test.

For those students taking quizzes via Canvas, the correct answers are available immediately after the last section completes the test, and will be available for review/study for the remainder of the semester. For students who have taken the test on paper, as well as for written homework assignments, grades are generally available within 2-7 days; these are not "handed back" but may be reviewed at any time during office hours.

Determination of Grades

The grade for the course will be curved based on the performance of all students in my sections of this course this semester. The curve-to-date will be published periodically, usually within a week after each Segment Quiz, so that students can gauge their class standing and take timely action to improve their performance if they choose. No "extra credit" opportunities will be offered to any individual student. Late work will be subject to a 50-100% point deduction. "Plus" and "minus" grades will be used at my discretion in the final grading if I feel they are warranted.

Passage of the Writing Skills Test (WST) or ENGL/LLD 100A with a C or better (C not accepted), and completion of Core General Education are prerequisite to all SJSU Studies courses. Completion of, or co-registration in, 100W is strongly recommended. A minimum aggregate GPA of 2.0 in GE Areas R, S, & V shall be required of all students.”

Classroom Protocol

Class will be conducted in accordance with professional business meeting protocol. Disruptive, distracting, disrespectful, or unsafe activity will not be tolerated, and will result in expulsion from the classroom, grade point deduction, or both.

Lucas College and Graduate School of Business: Program Goals and Classroom Policy:
www.sjsu.edu/cob/Students/policies/index.html.

University Policies

Per University Policy S16-9, university-wide policy information relevant to all courses, such as academic integrity, accommodations, etc. will be available on Office of Graduate and Undergraduate Programs' Syllabus Information web page at <http://www.sjsu.edu/gup/syllabusinfo/>.

Dropping and Adding

Add priority will be given to (a) Finance majors and (b) Graduating seniors, unless other priorities are assigned by the University. You must attend the first 3 class sessions and submit any associated homeworks and/or quizzes (with passing scores) in order to be considered for an add code.

Students are responsible for understanding the policies and procedures about add/drop, grade forgiveness, etc. Add/drop deadlines can be found on the current academic year calendars document on the [Academic Calendars webpage](http://www.sjsu.edu/provost/services/academic_calendars/) at http://www.sjsu.edu/provost/services/academic_calendars/. The [Late Drop Policy](http://www.sjsu.edu/aars/policies/latedrops/policy/) is available at <http://www.sjsu.edu/aars/policies/latedrops/policy/>.

SJSU Writing Center

The SJSU Writing Center is located in Clark Hall, Suite 126. All Writing Specialists have gone through a rigorous hiring process, and they are well trained to assist all students at all levels within all disciplines to become better writers. In addition to one-on-one tutoring services, the Writing Center also offers workshops every semester on a variety of writing topics. To make an appointment or to refer to the numerous online resources offered through the Writing Center, visit the [Writing Center website](http://www.sjsu.edu/writingcenter) at <http://www.sjsu.edu/writingcenter>.

SJSU Counseling and Psychological Services

The SJSU Counseling and Psychological Services is located on the corner of 7th Street and San Carlos in the new Student Wellness Center, Room 300B. Professional psychologists, social workers, and counselors are available to provide confidential consultations on issues of student mental health, campus climate or psychological and academic issues on an individual, couple, or group basis. To schedule an appointment or learn more information, visit Counseling and Psychological Services website at <http://www.sjsu.edu/counseling>.

Lucas College and Graduate School of Business:

Mission: We are the institution of opportunity in Silicon Valley, educating future leaders through experiential learning and character development in a global business community and by conducting research that contributes to business theory, practice and education.

BUS1 170/Fundamentals of Finance, fall 2017, MW 9am and 10:30am

This schedule is subject to change; the latest assignment descriptions and due dates will be posted on Canvas.

Course Schedule

Week	Date	Topics, Readings and Assignments: due at start of class session, unless otherwise specified
n/a	Due by Thurs Aug 31	<p>Topic: Enable Canvas quiz taking in class</p> <p>Preparation: Download the Canvas LockDown Browser on the device (tablet or laptop) you will be using to take in-class quizzes and exams, and take the “Test Your Browser” quiz posted on Canvas. You do not need to study anything for this quiz, it is an equipment test. This is a graded quiz; it is the only graded quiz you are permitted to take outside the classroom. You should take it from somewhere on the SJSU campus to make sure your device works with the SJSU wifi network.</p> <p>Deliverable: Completed quiz. If you don’t have access to a device you can bring to class for quizzes, you must see me BEFORE this due date to arrange for alternate test taking instructions so you can earn these points.</p> <p>Format: Canvas quiz</p> <p>Due: As soon as possible and no later than due date.</p>
n/a	Due by Sat Sept 30	<p>Topic: Bloomberg Certification 1: FIXED INCOME</p> <p>Preparation: Review all the materials in the Bloomberg folder in Canvas “Files.” Set up a login for BMC on a Bloomberg terminal INCLUDING THE COURSE CODE (you will not get credit if you don’t log in with the course code.) The list of terminal locations and hours is in the folder. The module is estimated to require 2-3 hours of work, and may be paused/resumed as you wish. Due to the very long lead time for this assignment, NO late submissions will receive credit: you are responsible for finding enough time to complete the module, anticipating there will likely be equipment problems, overcrowding, or other unforeseen emergencies. You may start the modules right away, there are no prerequisites. After completing the credential, write a minimum 250 word review of your experience.</p> <p>Deliverable: (1) Complete the FIXED INCOME module credential; before you log out, check to make sure your Bloomberg account has recorded it as “completed” and given you a final score. (2) Submission of writeup.</p> <p>Grading of each module assignment is a total of 15 possible points based on both your score and the quality of your writeup, as follows: Up to 10 points available based on score (example: if you received a score of 75% on Bloomberg, you would receive 7.5 points) and up to 5 points for writeup. Write-ups should address (a) what you learned and (b) how it is relevant to the concepts you are studying in this course. Writeups should be written to professional business standards; write-ups that contain errors in spelling, grammar or vocabulary usage will be subject to a point deduction ranging from 10-50% depending on severity of the issues. Note: ANY form of plagiarism on write-ups will result in a NEGATIVE point score (it will hurt your total course grade) AND it will be reported to the University ethics councils.</p> <p>Format: Bloomberg will send me scores on module. Submit writeup through</p>

Week	Date	Topics, Readings and Assignments: due at start of class session, unless otherwise specified
		<p>Canvas “Text” submission area for this assignment. Due: As soon as possible and no later than due date. IMPORTANT: some students have found that it is possible to register multiple times with different user names, in order to re-take the module quizzes after having been shown the correct answers. In order to encourage and reward actual learning of the material rather than just finding out the correct answers, only the FIRST reported score will be used for grading.</p>
n/a	Due by Thurs Nov 30	<p>Bloomberg Certification 2: EQUITIES Preparation: Follow same process as for FIXED INCOME, but do the EQUITIES module. Deliverable: completed Equities certification and writeup. Format: Bloomberg will send me your score for the certification. Submit the writeup through Canvas “Text” under this assignment. Due: as soon as possible and no later than due date.</p>
1	Wed Aug 23	<p>Topic: Course Orientation; SI Peer Leader Introduction; Structure and Goal of the Corporation Preparation: Obtain book and calculator. Print out “Test Your Calculator” problems posted on Canvas “Files” and start practicing with your calculator so you can get help if needed before using on quizzes. Print out “Vocabulary and Concept Outline” posted on Canvas “Files” and bring to each class so you can take notes as we go along. Deliverable:n/a Format: n/a Due: By start of class</p>
2	Mon Aug 28	<p>Topic: Forms of Organization; Key Concepts in Finance; Calculator Quiz 1 Preparation: (1) Read Chapter 1 (Introduction to the Foundations of Financial Management.) Make sure you can answer questions such as: What is meant by “cash is king”? What is meant by “time value of money”? What is meant by the “risk/return tradeoff”? What is meant by an “efficient market”? What is meant by “agency problem”, and how does this relate to the “goal of the firm”? How is “double taxation of dividends” calculated? What are the main differences between the 6 forms of organization (sole proprietorship, general partnership, limited partnership, C corp, S corp, LLC) relative to these characteristics: number and type of owners, liability, and taxation? (2) Internet research: look up “B Corps”. What are they? How many of them exist? What are some examples? How does this information relate to the “goal of the corporation”? (3) Study and practice calculation #1 (growth rates) on the Test Your Calculator document until you have mastered it. Deliverable: Homework Check Quiz including Calculator Quiz 1. Format: Paper quiz in class Due: In class</p>
2	Wed Aug 30	<p>Topic: Capital Markets & Financial Institutions Preparation: 1. Read Chapter 2 only through Learning Objectives 1 (pp 22-28). Then do the</p>

Week	Date	<p align="center">Topics, Readings and Assignments: due at start of class session, unless otherwise specified</p>
		<p>following internet research:</p> <ol style="list-style-type: none"> 2. Read Wikipedia's entry titled "Capital Market." What does the word Capital mean in this context? Why is it called a Market: who are the sellers? What products are they selling? Who are the buyers? Who owns/manages the Markets? 3. Get a feel for the world banking system: find a list of the 10 largest banks in the world measured by total assets, expressed in U.S. \$. If the numbers are not in U.S. dollars, you must convert them so you can understand which are actually larger or smaller. What did you learn from this exercise? Be sure to <u>note the source and date</u> of your data, and bring your work to class to discuss. <p>Deliverable: Homework Check Quiz Format: Paper quiz Due: In class</p>
3	Wed Sep 6	<p>Topic: Securities and the Stock Market Preparation:</p> <ol style="list-style-type: none"> (1) Download the Ernst & Young Global Stock Exchange report from Canvas and read Chapter 1 and Chapter 2. Who owns stock exchanges? Find the data in this report on (a) total companies listed and (b) aggregate market capitalization (make sure you know what this means) for 5 major stock exchanges: the New York Stock Exchange, the NASDAQ, the London Stock Exchange, the Tokyo Stock Exchange and the Hong Kong Stock Exchange. Calculate the average market cap per listed company for each of these exchanges. If you were to rank these exchanges from largest to smallest, how would the list look different if you used (a) aggregate market cap, (b) total number of companies listed, or (c) average market cap per company? What factors do you guess make these statistics different for these different exchanges? (2) Look up "National Securities Exchanges" on the SEC.gov website. How many national securities exchanges are registered in the U.S.? How many had you heard of before? In what ways do you think they differentiate themselves from each other? (3) Learn how to read stock market information: go to Yahoo Finance, look up any company listed on NYSE or NASDAQ that interests you, and learn how to read and explain what <u>all the statistics</u> on the "Summary" page mean, as if you were teaching another person about the stock. Make sure you understand ALL vocabulary and abbreviations on this page. NOTE: only choose a company that is listed on the NYSE or NASDAQ; if it is not listed on one of these exchanges, it will not contain complete information. <p>Deliverable: Homework Check Quiz Format: Paper quiz Due: In class</p>
4	Mon Sep 11	<p>Study for Segment 1 Quiz including Calculator Quiz 2 Preparation: Review readings, homework problems. Learn Calculator Problem #2: calculating compound growth rates. Deliverable: Segment 1 Quiz and "know your calculator" question 2. Format: Paper or Canvas quiz Due: In class <i>REMINDER: quizzes taken outside of class without my specific, written, advance</i></p>

Week	Date	<p style="text-align: center;">Topics, Readings and Assignments: due at start of class session, unless otherwise specified</p>
		<p><i>permission will receive a grade of ZERO.</i></p>
4	Wed Sep 13	<p>Topic: Income Statements Preparation:</p> <ol style="list-style-type: none"> 1. Read pp. 54-61 (Income Statement) and pp 80-83 (computing Income Taxes); also review the example of income tax computation on page 84. Do not memorize the tax rates, just learn how to calculate taxes if tax rates are provided. 2. Download the “Outline of Income Statement Structure” from Canvas “Files” and memorize it: test yourself by seeing if you can re-create it on a blank piece of paper without looking. Make sure you understand the meaning of each line item. 3. Do Study Problems 3-1, 2, 16, 17, and 18. Note: for the problems that ask you to calculate taxes, use the tax rates on Table 3-6 in the book. 4. Online research: download the latest fiscal year 10-K for one of these companies: Starbucks, McDonalds, Walmart, or Tiffany’s (NOTE: for McDonalds and Starbucks, the latest available is the fiscal year ending in 2016, for Tiffany and Walmart it is the fiscal year ending in 2017). Print out the Income Statement and compare it to the “Outline” and the text book examples to make sure you have the right report. 5. With a colored marker, HIGHLIGHT the (a) name of the statement, and (b) the date of the statement. Bring it to class with you and SHOW IT TO ME before class (at morning office hours or before class starts) in order to receive the 2 homework points. NOTE: you must bring the actual Income Statement from the 10-K, you may NOT use the abbreviated statements from the annual report Highlights, Selected Financial Results, Yahoo Finance, Bloomberg or other sites because they do not have complete information: part of this exercise is learning how to find financial statements. You will not get points unless you have the correct statement. Also make sure you have the correct year: we need to all be looking at the same numbers; if you have the wrong year you will not get the homework points and you will get wrong answers on the quiz. <p>Deliverable: (a) 2 points for having correct statement by start of class, and (b) Homework Check Quiz Format: Paper printout for statement; Paper or Canvas quiz Due: By start of class</p>
5	Mon Sep 18	<p>Topic: Balance Sheets Preparation:</p> <ol style="list-style-type: none"> 1. Read pp 61-69 (Balance Sheets). 2. Download the “Outline of Balance Sheet Structure” from Canvas “Files” and memorize it: test yourself by seeing if you can re-create it on a blank piece of paper without looking. Make sure you understand the meaning of each line item. 3. Do Study Problems 3-3, 5 and 7. 4. Online research: using the same 10-K you downloaded for the last class, print out the Balance Sheet and compare it to the “Outline” and the text book examples to make sure you have the right report. 5. With a colored marker, HIGHLIGHT the (a) name of the statement, and (b)

Week	Date	<p align="center">Topics, Readings and Assignments: due at start of class session, unless otherwise specified</p>
		<p>the date of the statement (year). Bring it to class with you and SHOW IT TO ME before class (at morning office hours or before class starts) in order to receive the 2 homework points. NOTE: you must bring the actual Balance Sheet from the 10-K, you may NOT use the abbreviated statements from the annual report Highlights, Selected Financial Results, Yahoo Finance, Bloomberg or other sites because they do not have complete information: part of this exercise is learning how to find financial statements. You will not get points unless you have the correct statement. Also make sure you have the correct year: we need to all be looking at the same numbers; if you have the wrong year you will not get the homework points and you will get wrong answers on the quiz.</p> <p>Deliverable: (a) 2 points for having correct statement by start of class, and (b) Homework Check Quiz</p> <p>Format: Paper printout for statement; Paper or Canvas quiz</p> <p>Due: By start of class</p>
4	Wed Sep 20	<p>Topic: Cash Flow Statements</p> <p>Preparation:</p> <ol style="list-style-type: none"> 1. Read pp. 69-79 (Cash Flow Statements). 2. Download the Cash Flow Statement Outline from Canvas “Files” and memorize it: test yourself by seeing if you can re-create it on a blank piece of paper without looking. Make sure you understand the meaning of each line item. 3. Do Study Problems 3-8, 10 and 13. 4. Online research: using the same 10-K you downloaded for the last class, using the same 10-K you downloaded for the last class, print out the Cash Flow Statement and compare it to the “Outline” and the text book examples to make sure you have the right report. 5. With a colored marker, HIGHLIGHT the (a) name of the statement, and (b) the date of the statement (year). Bring it to class with you and SHOW IT TO ME before class (at morning office hours or before class starts) in order to receive the 2 homework points. NOTE: you must bring the actual Cash Flow Statement from the 10-K, you may NOT use the abbreviated statements from the annual report Highlights, Selected Financial Results, Yahoo Finance, Bloomberg or other sites because they do not have complete information: part of this exercise is learning how to find financial statements. You will not get points unless you have the correct statement. Also make sure you have the correct year: we need to all be looking at the same numbers; if you have the wrong year you will not get the homework points and you will get wrong answers on the quiz. <p>Deliverable: (a) 2 points for having correct statement by start of class, and (b) Homework Check Quiz</p> <p>Format: Paper printout for statement; Paper or Canvas quiz</p> <p>Due: By start of class</p>
5	Mon Sep 25	<p>Topic: Ratio Analysis 1</p> <p>Preparation:</p> <ol style="list-style-type: none"> 1. Read Chapter 4 (Evaluating Financial Performance). (Note: there are a few typos and missing data on Figure 4-1, if you are wondering about it.)

Week	Date	<p align="center">Topics, Readings and Assignments: due at start of class session, unless otherwise specified</p>
		<p>2. Memorize the names and formulas for every ratio on the “Ratio Study Sheet” outline posted in Canvas “Files,” including the DuPont Formula. Note that this includes a few ratios not mentioned in chapter 4; it also excludes a few ratios that are mentioned in the book; you are responsible for <u>all, and only, the ratios on the posted document.</u></p> <p>Deliverable: Homework Check Quiz Format: Paper or Canvas quiz Due: In class</p>
5	Wed Sep 27	<p>Overflow/Review day for Financial Statements Preparation: Memorize the vocabulary and calculations on the 3 financial statement “outlines.” Test yourself: can you write down all the major components of each financial statement from memory, in the correct order? Materials to help you practice are posted in Canvas “Files”.</p> <p>Deliverable: Bring all 3 financial statements from the companies you have been studying; we will be discussing them. Format: Paper printout for statement. Due: In class</p>
6	Mon Oct 2	<p>Topic: Ratio Analysis 2 Preparation:</p> <ol style="list-style-type: none"> Keep working on memorizing the names and formulas for every ratio on the “Ratio Study Sheet” outline posted in Canvas “Files,” including the DuPont Formula. Note that this includes a few ratios not mentioned in chapter 4; it also excludes a few ratios that are mentioned in the book; you are responsible for <u>all, and only, the ratios on the posted document.</u> Using the annual report or 10-K you previously downloaded, calculate every ratio* on the Key Ratios list and analyze/think about what these ratios tell you about the business. Bring your work to class. *Info is not available to calculate these three ratios, so learn the formulas and meanings but don't bother trying to calculate: (a) Fixed Payments Coverage, (b) Stock Split, (c) Reverse Stock Split. <p>Deliverable: Homework Check Quiz Format: Paper or Canvas quiz Due: In class</p>
6	Wed Oct 4	<p>Topic: Ratio Analysis 3 Preparation: Online research: (a) Download the 2015 10-K for the company in the same industry you didn't choose before (eg, if you have been studying Tiffany's, now download Walmart). (b) Calculate every ratio* on the Ratio Study Sheet for the new company. (c) Compare it to your company: which company is doing better on which performance measurements? Why might this be? What did you learn about the companies from analyzing this? *Info is not available to calculate these three ratios, so learn the formulas and meanings but don't bother trying to calculate: (a) Fixed Payments Coverage, (b) Stock Split, (c) Reverse Stock Split.</p> <p>Deliverable: Homework Check Quiz Format: Paper or Canvas quiz Due: In class</p>

Week	Date	<p align="center">Topics, Readings and Assignments: due at start of class session, unless otherwise specified</p>
7	Mon Oct 9	<p>Topic: Study for Segment II Quiz Preparation: This quiz will focus on the Financial Statements and the Ratios.</p> <ol style="list-style-type: none"> 1. Study Vocabulary and Concept Outline for Segment II. 2. Memorize the vocabulary and calculations on the 3 financial statement “outlines.” 3. Test yourself using “Blank Financial Statement Practice Templates”: can you write down all the major components of each financial statement from memory, in the correct order? 4. Memorize all ratios on the “Ratio Study Sheet”: Can you write down the formula for each financial ratio correctly? Do you know what each ratio tells you about a business? <p>Deliverable: Segment II Quiz. IF YOU PLAN TO TAKE THE EXAM ON PAPER, BRING A SCANTRON. Format: Paper or Canvas quiz Due: In class</p>
7	Wed Oct 11	<p>Topic: Risk & Return and Time Value of Money, and Calculator Quiz 3 Preparation:</p> <ol style="list-style-type: none"> 1. Read pp 152-185 (Time Value of Money); practice all examples using your calculator; if you are having any calculator problems get help ASAP so you won't miss quiz points. NOTE: you will be using your financial calculator, not Excel, in this class so you can skip the parts giving Excel instructions if you like. 2. Do “Testing Your Calculator” problem # 3 (TVM) posted in Canvas to make sure you know how to use your calculator correctly. <p>Deliverable: Homework Check Quiz Format: Paper or Canvas quiz Due: In class</p>
8	Mon Oct 16	<p>Topic: Calculating TVM, and Calculator Quiz 4 Preparation:</p> <ol style="list-style-type: none"> 1. In chapter 5, do problems 1-6, 9-11, 13-17, 19-29, 31-32, 37-40, 42-43, 45-46, 48, 50, 52, 56-57, and 59. Lots of problems assigned because it is important to practice using your calculator and doing these types of problems. Use scratch paper and write down your assumptions and a cash flow timeline for every problem so if you don't get the correct answer, you can get help during office hours or from the tutorial center and see what you are doing wrong. 2. “Test your Calculator” problem # 4: non-annual periods. 3. Deliverable: Homework Check Quiz <p>Format: Paper or Canvas quiz Due: In class</p>
8	Wed Oct 18	<p>Topic: Net Present Value, IRR and Payback, and Calculator Quiz 5 Preparation:</p> <ol style="list-style-type: none"> 1. Read pp 327-355 (Capital Budgeting); practice all examples using your calculator. 2. Learn “Test your Calculator” problem 5 and make sure you know how to calculate NPV and IRR on your calculator. <p>Deliverable: Homework Check Quiz Format: Paper or Canvas quiz</p>

Week	Date	Topics, Readings and Assignments: due at start of class session, unless otherwise specified
		Due: In class
9	Mon Oct 23	<p>Topic: Bond Valuation</p> <p>Preparation:</p> <ol style="list-style-type: none"> 1. Read pp 236-259 (Bonds). Make sure you memorize all bond-related vocabulary (see Vocabulary and Concept Outline) and know how to calculate Price, Par Value, Face Value, Yield, Coupon Payment, and number of compounding periods until maturity. 2. Do problems 7-2, 6, 12, 17, 22-25, and 27. NOTE typo in #17: should say interest is 6% annual, 3% semiannual. <p>Deliverable: Homework Check Quiz</p> <p>Format: Paper or Canvas quiz</p> <p>Due: In class</p>
9	Wed Oct 25	<p>Topic: Interest Rates & Yields; the Yield Curve</p> <p>Preparation:</p> <ol style="list-style-type: none"> 1. Read pp 34-47 (Rates of Return) 2. Do problems 2-1, 2, 3, 4, 5, 9, 11, and 12 3. Online research: do a search for the “the Yield Curve” and study the examples that come up. What are its axes? What data makes up the points that define the curve? What does it tell the financial world that makes it such an important tool? Using internet search, look up the 3 Month Treasury Bill yield and the 10 Year Treasury Note Yield as of January 1, 1981 and as of January 1, 2016, and draw a simple, 2-point yield curve for <u>each</u> of these <u>dates</u> using this data (you will be drawing two graphs total). What are the important ways in which they are different? What did you learn from this exercise? (NOTE: finding this data is a key part of the assignment. If you don’t find it at first, keep looking. It exists and is free and public information.) <p>Deliverable: One page showing 2 graphs you have drawn: the 1/1/1981 yield curve and the 1/1/2017 yield curve. Axes, data point coordinates (numbers), and the source of each piece of data must be labeled (which website or content provider you got the information from) in order to receive credit.</p> <p>Format: Paper</p> <p>Due: Hand in at start of class</p>
10	Mon Nov 6	Topic: Segment III Overflow/Review day. Additional preparation may be assigned if needed.
10	Wed Nov 8	<p>Topic: Study for Segment III Quiz</p> <p>Preparation: Study Vocabulary and Concept Outline for Segment III. Review lectures, homeworks and quizzes.</p> <p>Deliverable: Segment III Quiz. IF YOU PLAN TO TAKE THE EXAM ON PAPER, BRING A SCANTRON.</p> <p>Format: Paper or Canvas quiz</p> <p>Due: In class</p>
11	Mon Nov 13	<p>Topic: Diversification, Beta and CAPM</p> <p>Preparation:</p> <ol style="list-style-type: none"> 1. Read pp 196-225 (Risk and Return). Note, you DON’T need to learn to calculate Standard Deviation, but you do need to understand how it is used in finance as an important measure of risk.

Week	Date	Topics, Readings and Assignments: due at start of class session, unless otherwise specified
		2. Do problems 6-18, 19, 20, 21, and 22. Deliverable: Homework Check Quiz Format: Paper or Canvas quiz Due: In class
11	Wed Nov 15	Topic: Diversification, Beta and CAPM con't and Calculator Quiz 6 Preparation: 1. Do chapter 6 problems 17, 23, and 24. 2. Learn and practice Calculator Problem #6: Weighted Averages. Deliverable: Homework Check Quiz Format: Paper or Canvas quiz Due: In class
12	Mon Nov 20	Topic: Cost of Capital and WACC Preparation: 1. Read pp 294-310 (Cost of Capital). Ignore "Flotation Costs," we will not be using those. Pay particular attention to footnote on page 308: importance of using MARKET values of debt and equity to calculate their weights in the capital structure. 2. Do problems 9-3, 5, 7, 14, 16, and 17. Deliverable: Homework Check Quiz Format: Paper or Canvas quiz Due: In class
13	Mon Nov 27	Topic: Leverage and Optimal Capital Structure Preparation: 1. Read pp 406-426 (Financing Mix). To test your knowledge of the reading, study both Table 12-6 (Combined Leverage Effects) and Figure 12-7 (Capital Costs and Financial Leverage) and make sure you understand them well. 2. Do problems 12-1, 2, 3, 4, and 5. 3. Read and study "Optimal Capital Structure Problem Solutions" 1 and 2 in Canvas Files/Homework. Make sure you understand the calculations (i.e., you could fill out the "calculations" section of a similar chart yourself.) Why does Beta go up? Why does Kd go up? Why does WACC go down, then up? What determines the "optimal capital structure"? Deliverable: Homework Check Quiz Format: Paper or Canvas quiz Due: In class
13	Wed Nov 29	Topic: Stock Valuation; Distribute SI Peer Leader Evaluation (due by last day of class). Preparation: 1. Read pp 268-287 (Characteristics of Stock) 2. Do problems 8-1, 2, 4, 5, 8, 11, 12, 13, and 18 Format: Homework check Quiz Due: At start of class
14	Mon Dec 4	Topic: Equity valuation using Comparables Preparation: 1. Reading: (a) "Equity Valuations, the Comparables Approach," by Ryan Fuhrmann, on Investopedia website; (b) "Valuation Using Multiples" on

Week	Date	<p style="text-align: center;">Topics, Readings and Assignments: due at start of class session, unless otherwise specified</p>
		<p>Wikipedia website.</p> <ol style="list-style-type: none"> 2. Online Research: using Yahoo Finance, look up the 4 companies in different industries shown on the Template (<u>see Template 1 posted in Canvas “Files” for assigned companies</u>) and create a table comparing their trailing PE ratio, their average Earnings growth rate over the past 5 years, their forecasted EPS growth rate for the next 5 years, and their forecasted growth rate in stock price between now and the 1 year analyst estimate. Answer thought questions on Template. 3. Online Research: using Yahoo Finance, look up the 4 companies in the same industry shown on the Template (<u>see Template 2 posted in Canvas “Files” for assigned companies</u>) and create a table comparing their ratios for Price/Earnings, Price/EBIT, Price/Revenues, and Price/Book Value. (REMEMBER you must use either <u>per-share</u> OR <u>total company</u> values in both numerator and denominator to calculate ratios: you can’t compare a per-share price with total-company earnings, for example, or you will get a bizarre number.) Answer the thought questions on the Template and follow the instructions to calculate the value of a “new” company in this industry. <p>Deliverable: 2 Completed Templates Format: 2 page paper submission Due: At start of class</p>
14	Wed Dec 6	<p>Topic: Segment IV Review/Overflow day Preparation: Finding Betas The purpose of this assignment is to get a feel for how Betas can differ depending on the source (the analyst group that calculated them) and also how Betas reflect different types of companies/industries. Preparation:</p> <ol style="list-style-type: none"> 1. In prior class I will give you a slip of paper with the name of the company you are assigned to research. 2. Look up the Beta of this company from 3 different sources: Yahoo Finance, Google Finance and a third source of your choosing. <p>Deliverable: Download, fill out and print the assignment answer sheet posted in FILES --> HOMEWORK MATERIALS --> Beta Survey. Due: Hand it in (paper form) at the start of class. Keep a copy for yourself and bring it to class to discuss. NOTE: every assigned company is listed on either NYSE or Nasdaq. If you are looking at data for a stock listed on any other exchange, you are looking at the wrong stock. Stop and find the right stock. Many stocks have similar names and ticker symbols. ALSO NOTE: you must find 3 data sources. If you find a data source and under Beta it says "N/A", write that down. I will check it and if that is really what it says, you will get credit.</p>
15	Mon Dec 11	<p>Topic: Study for Segment IV Quiz Preparation: Study Vocabulary and Concept Outline for Segment IV. Review lectures, homeworks and quizzes. Pick a public company and practice analyzing it using the “Bus 170 Review Exercise” in Canvas “files.” Do this for several companies with a study group or come to office hours to discuss. Also complete SI Peer Leader Evaluation if not already submitted. Deliverable: Segment IV Quiz.</p>

Week	Date	<p align="center">Topics, Readings and Assignments: due at start of class session, unless otherwise specified</p>
		<p align="center">SI Peer Leader Evaluation</p> <p>Format: Paper or Canvas quiz. IF YOU PLAN TO TAKE THE EXAM ON PAPER, BRING A SCANTRON.</p> <p>Due: In class</p>
Final Exam		<p>Topic: Study for Final Exam</p> <p>Preparation: review all homeworks, lectures, readings, quizzes, and supplemental materials in the course.</p> <p>Deliverable: Final Exam</p> <p>Format: Paper or Canvas quiz. IF YOU PLAN TO TAKE THE EXAM ON PAPER, BRING A SCANTRON.</p> <p>Due: Final exam dates are set by the University and posted on the SJSU website. Final exams are held in the regular classroom unless otherwise posted. You must take your final exam with the Section in which you are <u>registered</u>:</p> <p>Section 5: Monday, Dec 18, 7:15-9:30am Section 11: Friday, Dec 15, 9:45am-12:00n</p>