

Syllabus

FI 400-901: Financial Institutions, Markets and Investments
3 Credit Hours

Instructor: Dr. Robert W. McLeod, Ph.D., CFA, CFP™, CLU, AVA
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Others by appointment

The Course:

Finance 400 is a three credit hour course that builds on the foundation laid in the business core to extend the student's knowledge of basic finance into the areas of the operation and management of financial institutions and the role of financial markets and the instruments that are traded in these markets. The course consists of three main sections. In the first section the student will learn the importance and structure of financial markets; the tradeoff between risk and return; and valuation of financial assets. In the second module the student will review the concepts of capital budgeting and cost of capital; leverage and capital structure; financial statement analysis; financial planning, forecasting, and cash budgets; and working capital management. In the third section you will learn about international financial applications; applying financial concepts to leasing, going public, and mergers and acquisitions; the role of financial intermediaries and the Federal Reserve System.

Course Objectives:

Upon completion of the first section in the course, the student should be able to (1) understand the role of finance in the economy; (2) understand the types of financial markets and why they are important; (3) evaluate the tradeoff between risk and return on assets and portfolios; and (4) calculate the values of financial stocks and bond.

Upon the completion of second section, the student should be able to (1) understand the capital budgeting process; (2) compute the cost of capital; (3) understand financial leverage affects the firm's capital structure; (4) analyze financial statements; and (5) develop financial plans and forecasts.

Upon completion of the third section, the student should be able to (1) understand the tools and techniques of working capital management; (2) determine the factors that affect exchange rates and the risks of foreign investment; (3) apply basic financial concepts to more complex financial decisions; (4) understand the differences among the various financial intermediaries; and (5) recognize and understand the role of the Federal Reserve in controlling the money supply and its affect on financial markets.

Prerequisites:

- (a) The course specific prerequisites are Ec 110, Ec 111, AC 210, ST 260, OM 300, and FI 302.
- (b) Enrollment in C&BA's General Business Major.

Required Texts:

Finance, Interactive Third Edition, Stanley G. Eakins, 2008 Pearson Education

Outline of topics to be covered.**Section One:**

- Chapter 1: An Overview of Finance
- Chapter 2: The Financial System
- Chapter 3: Time Value of Money
- Chapter 4: Risk and Return
- Chapter 5: Interest Rates and Bond Valuation
- Chapter 6: Stock Valuation and Market Efficiency

Section Two:

- Chapter 7: Capital Budgeting: Introduction and Techniques
- Chapter 8: Estimating Cash Flows and Refinement to Capital Budgeting
- Chapter 9: The Cost of Capital
- Chapter 10: Leverage and Capital Structure
- Chapter 11: Financial Statement and Ratio Analysis
- Chapter 12: Financial Planning, Forecasting, and Cash Budgets

Section Three:

- Chapter 13: The Management of Working Capital
- Chapter 14: International Finance
- Chapter 15: Applying Financial Concepts: Leasing, Going Public, and Acquisitions
- Chapter 16: Financial Intermediaries
- Chapter 17: The Federal Reserve and the Money Supply

Attendance Policy

As an online course there is no attendance policy, but it is expected that the students are follow the Suggested Timeline for the course as shown on the syllabus.

Policy on make-ups

None given without the prior written consent of the instructor.

Academic Misconduct Policy

All acts of dishonesty in any work constitute academic misconduct. The Academic Misconduct Disciplinary Policy will be followed in the event of academic misconduct.

Disability Accommodations

To request disability accommodations, please contact Disabilities Services (348-4285). After initial arrangements are made with that office, contact me.

Grade Determination:

The grade will be based on your performance on three proctored exams which will be administered at the end of each section of the course. It is your responsibility to schedule a proctor if you are taking the exam off campus. Please review the posted material entitled Proctored *Online Examination: Directions for Students* for further information.

The semester numerical grade will be the average of the grades you earned on each of the section exams.

Examination Dates:

Exam on Section One:	February 11 th
Exam on Section Two:	March 24 th
Exam on Section Three:	May 5 th

Suggested Timeline for Course

Week beginning	Assignment
January 7 th	Read Chapter 1 and review PowerPoint Slides and lecture
January 14 th	Read Chapter 2 and review PowerPoint Slides and lecture
January 21 st	Review the material in Chapter 3 if you recently have not had a basic finance course (FI 302 at U of A). This chapter covers time value of money concepts that are necessary for many of the later chapters that we will cover in this course. Read Chapter 4 and review the PowerPoint Slides and lecture.
January 28 th	Read Chapter 5 and review PowerPoint Slides and lecture
February 4 th	Read Chapter 6 and review PowerPoint Slides and lecture
February 11 th lecture	First Exam and Read Chapter 7 and review PowerPoint Slides and lecture
February 18 th	Read Chapter 8 and review PowerPoint Slides and lecture
February 25 th	Read Chapter 9 and review PowerPoint Slides and lecture

March 3 rd	Read Chapter 10 and review PowerPoint Slides and lecture
March 10 th	Read Chapter 11 and review PowerPoint Slides and lecture
March 17 th	Spring Break (on campus)
March 24 th	Read Chapter 12 and review PowerPoint Slides and lecture
March 31 st and lecture	Second Exam and Read Chapter 13 and review PowerPoint Slides
April 7 th	Read Chapter 14 and review PowerPoint Slides and lecture
April 14 th	Read Chapter 15 and review PowerPoint Slides and lecture
April 21 st	Read Chapter 16 and review PowerPoint Slides and lecture
April 28 th	Read Chapter 17 and review PowerPoint Slides and lecture
May 5 th	Third Exam