

**61.301: Business Finance**  
**Course Syllabus – Summer 2009**

Instructor: Ravi Jain, Ph.D., CFA  
Office: 207G Falmouth Hall  
Phone: 978.934.2854 (office) / 978.349.8438 (mobile)  
Email: [ravi\\_jain@uml.edu](mailto:ravi_jain@uml.edu)  
Office Hours: By appointment  
Class Meeting: MW 6:00 pm – 9:15 pm

Course Website: <http://faculty.uml.edu/rjain/busfin>

**CATALOG DESCRIPTION:** Principles of financial management, including working and fixed capital, sources of funds, financial statements, financial planning and capital structure. Prerequisites: 49.201, 60.201.

**COURSE DESCRIPTION:** This course introduces the students to the finance function in a firm. You will be exposed to a variety of analytical techniques and to theory applied to financial decision-making. We will study the effects of major financial decisions such as capital investment, financing, and dividends on the value of a firm, in the light of their risk-return relationship assuming that the goal of the management is to maximize the shareholder's wealth.

**COURSE OBJECTIVES:** Upon successful completion of this course you should be able to perform basic analysis of key financial decision and their effect on risk, return, and value of the firm. In order to accomplish this objective, you will need to:

- Know the financial methods and techniques presented in the text or in class and be able to apply them to new information;
- Develop conceptual understanding of these methods to know their application to specific situations; and
- Be able to make optimal decisions based on the analytical techniques and computer applications covered during the course.

**TEXTBOOK:** The required textbook for this course is:

*Fundamentals of Financial Management, concise fifth/sixth edition*, Eugene F. Brigham and Joel F. Houston, 2006.

**OPTIONAL AND SUGGESTED:** *The Wall Street Journal*

**CALCULATORS:** We will use financial calculator extensively in this class, so you must have a financial calculator. I recommend the *Texas Instrument BA II Plus and TI-83*. You need to bring your calculator to every class and exam.

**GRADING:**

Exam 1	80 points
Exam 2	100 points
Exam 3	120 points
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Total	300 points
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Tests are closed book, closed note. You must come to the exams *no later than 25 minutes* after the exam begins.

You may use of a calculator during examinations, but are not allowed to borrow one from another student during examinations. Please have fresh batteries or a back-up calculator available for emergency use. Use of a computer is not allowed during the exam.

Grades on exams may be appealed within one week of the return of the test. All appeals must be submitted in writing. No end-of-the semester appeals on tests returned more than one week previously will be heard. Instructor decisions regarding appeals are final.

**COURSE PLACEMENT AND PREREQUISITES:** This course is open to students in the BSBA program who have completed the College of Management filter requirements and the following prerequisites:

1. Accounting/Financial (60.201)
2. Economics I and II (49.201 and 49.202)

**REQUIREMENT FOR GRADUATION:** Effective January 2003, the minimum Grade Point Average required for graduation is 2.20 for all College of Management (6x.xxx) courses and an overall Grade Point Average of 2.00.

**TEACHING METHOD:** The teaching method will be a combination of straight lectures, videos, and class discussions.

**OTHER DETAILS:** The policy related to academic dishonesty, as outlined in the *UML Undergraduate Catalog, pages 42-50* will be strictly adhered to.

If UML has a snow day (per normal notification procedures), the work (assignments, exams, etc.) in any classes missed will be covered in the next class. In the unlikely event that the instructor is unable to attend class, an announcement will be posted on the door of the classroom.

**ATTENDANCE:** Students are encouraged to attend the class. The instructor reserves the right to initiate student withdrawal from the course due to large number of absences from class.

**ABOUT YOUR INSTRUCTOR:** I have an undergraduate degree in Accounting and a graduate degree in Finance from the University of Delhi, India. I earned my Ph.D. in Finance from the University of Missouri – Columbia. Also, I was awarded CFA charter by the CFA Institute. I have five years of industry experience and six years of academic experience including three years at UMass Lowell. I teach both undergraduate and graduate Finance courses. I have an active research portfolio; my interests are corporate governance, earnings management, and cash policy of firms.

**EXAM SCHEDULE**

Mid-term 1: June 3, 2009 from 6 pm – 7:00 pm  
 Mid-term 2: June 17, 2009 from 6 pm – 7:15 pm  
 Final: June 29, 2009 from 6 pm – 7:30 pm

**CLASS SCHEDULE:**

Week 1	05/27 05/29	Introduction Chapter 1: Introduction to Financial Management Chapter 5: Time Value of Money
Week 2	06/01 06/03	Chapter 3: Financial Statements Chapter 4: Analysis of Financial Statements <b>Exam1 covering Chapters 1, 5, 3, and 4</b> Chapter 8: Risk and Return
Week 3	06/08 06/10 06/12	Chapter 8: Risk and Return Chapter 7: Bonds and Their Valuation Chapter 9: Stocks and Their Valuation
Week 4	06/15 06/17	Chapter 10: Cost of Capital <b>Exam2 covering Chapters 1, 3, 4, 7, 8, 9, and 10</b> Chapter 11: Basics of Capital Budgeting
Week 5	06/22 06/24 06/26	Chapter 11: Basics of Capital Budgeting Chapter 12: Cash Flow Estimation Chapter 12: Cash Flow Estimation Chapter 13: Capital Structure Chapter 14: Dividend Policy Chapter 15: Working Capital Management
Week 6	06/29	<b>Final Exam covering Chapters 7, 8, 9, 10, 11, 12, 13, 14, and 15</b>

**Note:** This schedule is tentative. If necessary, less critical chapters may be omitted in the interest of covering more crucial material adequately. Test dates will remain the same.