

**Master Syllabus**  
**College of Business & Economics, University of Hawaii at Hilo**

**Fin 320**  
**Principles of Business Finance**  
**(rev. 1-27-2012)**

**I. Catalog Description:**

**FIN 320 Principles of Business Finance (3) (S)** Introduction to concepts and techniques of business finance. Topics include organizational forms, agency relationships, financial analysis and planning, the capital formation process and capital markets, risk and return, time value of money, stock and bond valuation, and capital budgeting. Pre: Admission to Professional Business Program, ACC 250 and MATH course numbered 104F, 115, 205, or higher.

**Prerequisites:**

Admission to Professional Business Program, ACC 250 and MATH course numbered 104F, 115, 205, or higher and BUS 290.

*Justification:* Basic Accounting Skills are required for the course as background to the listed course content of financial analysis and planning. Basic math and critical thinking skills are required so students are prepared to make various computations required throughout the course.

**II. Course Learning Outcomes:**

1. Describe organizational forms available to firms, the characteristics of organizational forms, corporate governance, the taxation of firms and how dividend policy and capital structure can be used to affect firm taxation.
2. Understand agency relationships and how to manage the firm to minimize agency problems.
3. Forecast financial statements into the future and determine future financing needs.
4. Assess the financial health of firms by examining their financial statements.
5. Calculate the returns and riskiness of returns for various assets. Describe the relationship between risk and return for both individual assets and in a portfolio context. Describe how to use return and risk information to evaluate investments.
6. Describe the capital formation process and sources of funds that are available to firms, and to estimate the cost of for various sources.
7. Identify and solve a wide spectrum of time value of money problems. Utilize time value of money techniques in decision making.
8. Describe the characteristics of various financial assets. Describe the source of asset value and to be able to calculate values for various financial assets.

9. Assess the value of potential investments in projects, and make correct decisions on whether or not to proceed with the investment.

III. **Course Materials:** The materials required for this class may include a textbook and lecture notes. A financial calculator is also required.

IV. **Teaching Methods** The primary teaching methods for this course include class lectures and outside-of-class projects, including homework problems. Class lectures are used to present details, theories, and example problems. Projects may be used to reinforce application of concepts and theories.

V. **Evaluation Tools:** Evaluation of student performance will be conducted by means of homework assignments, short quizzes, and exams. Term projects may also be assigned. Approximate grade percentage ranges are:

Homework	5% to 20%
Quizzes	5% to 20%
Projects	0% to 20%
Exams	40% to 90%

VI. **Course Content:**

A. **Typical major course topics will include:**

1. Organizational Forms, corporate governance, taxation and implications for finance.
2. Agency relationships and solutions to agency problems
3. Financial Statements, Cash Flow, and Taxes
4. Financial Statement Analysis
5. Financial Statement Forecasting
6. The Financial Environment: Markets, Institutions and Interest Rates
7. Risk and Return
8. Time Value of Money
9. Bonds and their Valuation
10. Stocks and their Valuation
11. Cash Flow Estimation
12. The Basics of Capital Budgeting.
13. The Cost of Capital

## VII. Support of Program Learning Objectives

Program Learning Objective	Course Learning Objective(s) Supporting	Targeted Course Performance Level*	Possible Contributions to Program Assessment
Objective 1. Comprehend the fundamental principles of business administration	1-9	D	Course embedded evaluation of performance on exams and quizzes.
Objective 2A. Communicate clearly, logically, and persuasively in Writing	3, 7, 8, 9	D	Course embedded evaluation of performance on exams and quizzes.
Objective 2B. Communicate clearly, logically, and persuasively orally			Course embedded evaluation of performance on exams and quizzes.
Objective 3. Evaluate and analyze source information, subsequently draw conclusions, and present an argument based upon that analysis	2, 3, 4, 5, 6, 7 8	D M	Course embedded evaluation of performance on exams and quizzes.
Objective 4. Identify, analyze, and decide on courses of action to resolve complex, unstructured problems, using appropriate tools and technology			Course embedded evaluation of performance on exams and quizzes.
* I = Introduced, D = Developed & Practiced with Feedback, M = Demonstrated at the Mastery, Blank=Not Treated in this Course			

Definitions of Student Mastery Levels set performance levels that are somewhat parallel to Bloom's Taxonomy.

I = the student can identify examples (and non-examples) of the desired outcome, name the elements involved, and answer "objective, multiple-choice, fill-in-the blank" type of test questions showing awareness. (Objective tests are not necessarily simple, but they are most likely to be used at this introductory level.)

D = the student can describe, demonstrate or construct an example of the desired outcome but with guidance about each step. In some cases, the steps to learn the outcome may be spread among more than one course or activity within a course. Also included here is evaluation of existing examples of the outcome (pro's and con's, etc.) Essay questions and short projects would be used as evidence.

M = the student can demonstrate the outcome given a problem statement and appropriate data and tools. The student would need to synthesize skills learned previously in isolation. The skill demonstration would be sufficiently rigorous that an outside stakeholder (future employer) would be satisfied with it for an entry level position after graduation. Term papers, senior projects and research papers, senior portfolios, and capstone coursework would be used as evidence.