

ESSEX COUNTY COLLEGE
Business Division
FIN 101 – Introduction to Finance
Course Outline

Course Number & Name: FIN 101 – Introduction to Finance

Credit Hours: 3.0 **Contact Hours:** 3.0 **Lecture:** 3.0 **Lab:** N/A **Other:** N/A

Prerequisites: Grade of “C” or better in MTH 092 & ECO 101

Co-requisites: None

Instructor: TBA

Email: TBA

Office Hours: By appointment

Course Description: This serves as a foundation course in business finance. It provides a conceptual framework for the financial decision-making process and introduces tools and techniques of finance, including financial mathematics, capital budgeting, sources of funds, and financial analysis. Topics include acquisition and use of short-term and long-term capital; financial markets, institutions and instruments; financial control; time value of money; cash, operations and long-range budgeting; and cost of capital.

Textbook: *Introduction to finance* (14 ed.) by Melicher, R. W. & Norton, E. A. by John Wiley & Sons, (2011).

Course Goals: Upon successful completion of this course, students should be able to do the following:

1. Identify the fundamental components of finance and the importance of each in the financial environment;
2. Discuss the key concepts related to money, monetary systems, and money supply;
3. Explain the international monetary system, exchange rates, and the related impact on international trade;
4. Explain the concepts of time value of money, present and future value and how it influences financial decisions; and

5. Describe the key elements of the securities markets, and how the markets drive financial transactions, decision making, and risk analysis.

Measurable Course Performance Objectives (MPOs): Upon successful completion of this course, students should specifically be able to do the following:

1. Identify the fundamental components of finance and the importance of each in the financial environment:
 - 1.1 *Define finance and explain why finance should be studied;*
 - 1.2 *Identify and describe the six principles of finance; and*
 - 1.3 *Briefly describe the four types of financial markets.*
2. Discuss the key concepts related to money, monetary systems, and money supply:
 - 2.1 *Identify the major component of the monetary system; and*
 - 2.2 *Describe possible relationships between money supply and economic activity.*
3. Explain the international monetary system, exchange rates, and the related impact on international trade:
 - 3.1 *Describe how currency or exchange rates markets are organized and operate; and*
 - 3.2 *Describe factors that affect exchange rates.*
4. Explain the concepts of time value of money, present and future value and how it influences financial decisions:
 - 4.1 *Explain what is meant by “time value of money.” and*
 - 4.2 *Calculate for interest rates and time requirements for problems involving compounding and discounting.*
5. Describe the key elements of the securities markets, and how the markets drive financial transactions, decision making, and risk analysis:
 - 5.1 *Describe the key financial statements used in a business, and how each is analyzed and influences financial decision making;*
 - 5.2 *Explain how and why the combination of securities into portfolios reduces overall risk;*
 - 5.3 *Explain the importance of ethics in investment-related positions. and*
 - 5.4 *Identify the major sources of external long term financing for corporations.*

Methods of Instruction: Instruction will consist of a combination of lectures, online assignments, class participation and workshops.

Outcomes Assessment: Test and exam questions are blueprinted to course objectives. Data are collected and analyzed to determine the level of students' performance on these assessment instruments in regards to meeting course objectives. The results of this analysis are further used to guide necessary pedagogical and/or curricular revisions.

Course Requirements: All students are required to:

1. Maintain regular attendance.
2. Actively participate in class discussions and workshops.
3. Read the recommended textbook and continuously explore other related resource materials.
4. Complete all assigned homework on time.
5. Take all quizzes, tests, and exams when scheduled.

Attendance Policy: Regular and prompt attendance is essential for academic success. Faculty members take attendance at each scheduled class session. Students are expected to attend and be on time for all classes. Individual faculty members may establish specific attendance policies. Attendance records will be turned in to the appropriate Division/Department Chair and/or Program Director at the end of the term and in the interim upon request. Any students with more than three unexcused absences will automatically fail the course.

Methods of Evaluation: Final course grades will be computed as follows:

| Evaluation Categories | | |
|--|-------------|----------------------|
| GRADABLE ITEM | % | (Points) |
| Homework (35 points + WSJ Assessment 105) | 14% | = 140 points |
| Attendance | 6% | = 60 points |
| Class Participation/Presentations | 9% | = 90 points |
| Written Assignments (Wall Street Journal) | 10% | = 100 points |
| Quizzes (3) | 36% | = 360 points |
| Final Examination | 25% | = 250 points |
| TOTAL | 100% | = 1000 points |

Grading System:

| | | |
|-----------|-------------------|----------------------|
| A | 90% - 100% | Superior |
| B+ | 87% - 89% | Very Good |
| B | 80% - 86% | Good |
| C+ | 77% - 79% | Above Average |
| C | 70% - 76% | Satisfactory |
| D | 60% - 69% | Passing |
| F | 59% - 0 | Failing |

Academic Integrity: Dishonesty disrupts the search for truth that is inherent in the learning process and so devalues the purpose and the mission of the College. Academic dishonesty includes, but is not limited to, the following:

- plagiarism – the failure to acknowledge another writer’s words or ideas or to give proper credit to sources of information;
- cheating – knowingly obtaining or giving unauthorized information on any test/exam or any other academic assignment;
- interference – any interruption of the academic process that prevents others from the proper engagement in learning or teaching; and
- fraud – any act or instance of willful deceit or trickery.

Violations of academic integrity will be dealt with by imposing appropriate sanctions. Sanctions for acts of academic dishonesty could include the resubmission of an assignment, failure of the test/exam, failure in the course, probation, suspension from the College, and even expulsion from the College.

Student Code of Conduct: All students are expected to conduct themselves as responsible and considerate adults who respect the rights of others. Disruptive behavior will not be tolerated. All students are also expected to attend and be on time all class meetings. No cell phones or similar electronic devices are permitted in class. Please refer to the Essex County College student handbook, *Lifeline*, for more specific information about the College’s Code of Conduct and attendance requirements.

Course Content Outline: This is a tentative course schedule; the instructor reserves the right to make changes on it to make it better for the student's development. Notice will be given should any changes take place.

Class Meeting

| (90 minutes) | Topics to be Covered/ Class Activities |
|---------------------|---|
| 1-2 | Orientation & Course Introduction/Review of Class Syllabus Chapter 1 The Financial Environment |
| 3 | Chapter 2 Money and the Monetary System |
| 4 | Chapter 3 Banks and Other Financial Institutions |
| 5 | Chapter 4 Federal Reserve System |
| 6 | Test #1 on Chapters 1, 2, 3 and 4 |
| 7 | Chapter 5 Policy Makers and the Money Supply |
| 8 | Chapter 6 International Finance and Trade |
| 9 | Chapter 7 Savings and Investment Process |
| 10 | Chapter 8 Interest Rates |
| 11 | Test #2 on Chapters 5, 6, 7 and 8 |
| 12 | Chapter 9 Time Value of Money |
| 13 | Chapter 10 Bonds and Stocks: Characteristics and Valuations |
| 14 | Chapter 11 Securities Markets |
| 15 | Chapter 12 Financial Return and Risk Concepts |
| 16 | Test #3 on Chapters 9, 10, 11 & 12 |
| 17 | Chapter 13 Business Organization and Financial Data |
| 18-19 | Chapter 14 Financial Analysis and Long-Term Financial Planning |

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|-------|--|---|
| 20 | Chapter 15 | Managing Working Capital |
| 21 | Chapter 16 | Short-Term Business Financing |
| 22-23 | Chapter 17 | The Demand for Money |
| 24 | Chapter 18 | Capital Budgeting Analysis |
| 25 | Chapter 19 | Capital Structure and the Cost of Capital |
| 26 | Final Exams on Chapters 13, 14, 15, 16, 17, 18 and 19 | |