

BOSTON COLLEGE

S U M M E R S E S S I O N

MFIN102201, Fundamental of Finance
Boston College Summer Session 2018
Summer 1, 5/16/2018-6/20/2018
Monday and Wednesday 6:15 PM-9:15 PM

Instructors: Hugo Benedetti and Siyi Shen

BC E-mail: benedehu@bc.edu, shensf@bc.edu

Phone Number: (617) 552-2062

Office: Fulton 341

Office Hours: Monday and Wednesday 5:00 PM-6:00 PM

Boston College Mission Statement

Strengthened by more than a century and a half of dedication to academic excellence, Boston College commits itself to the highest standards of teaching and research in undergraduate, graduate and professional programs and to the pursuit of a just society through its own accomplishments, the work of its faculty and staff, and the achievements of its graduates. It seeks both to advance its place among the nation's finest universities and to bring to the company of its distinguished peers and to contemporary society the richness of the Catholic intellectual ideal of a mutually illuminating relationship between religious faith and free intellectual inquiry.

Boston College draws inspiration for its academic societal mission from its distinctive religious tradition. As a Catholic and Jesuit university, it is rooted in a world view that encounters God in all creation and through all human activity, especially in the search for truth in every discipline, in the desire to learn, and in the call to live justly together. In this spirit, the University regards the contribution of different religious traditions and value systems as essential to the fullness of its intellectual life and to the continuous development of its distinctive intellectual heritage.

Course Description

In this course, you will learn how to value things that cost money and provide value in return (stocks, bonds, projects, mortgage payments...). It will be a useful introduction to finance thought. We will look at the interpretation of financial statements, the time value of money and how it applies to security valuation and capital budgeting. We will also examine the risk/return trade-off and the efficient markets hypothesis. We will also look at the cost of capital and capital structure.

Textbooks, Readings and Calculators (Required)

Fundamentals of Corporate Finance, by Brealey, Myers and Marcus (8th edition).

Class notes and workbook (to be provided by instructors).

Calculator. Must be able to calculate the answer to y^x such as $(1.134)^{1.52}$. A financial calculator could be more helpful, although it's not required. If you plan to pursue the CFA (Chartered Financial Analyst) designation, it could be worth investing in the Texas Instruments BA II or BA II Plus (Both are the accepted calculators for the CFA exams).

Textbooks & Readings (Recommended)

Wall Street Journal. Student pricing \$1.00 for 15 weeks. Google Wall Street Journal Student.

Canvas

Canvas is the Learning Management System (LMS) at Boston College, designed to help faculty and students share ideas, collaborate on assignments, discuss course readings and materials, submit assignments, and much more - all online. As a Boston College student, you should familiarize yourself with this important tool. For more information and training resources for using Canvas, click [here](#).

Course Objectives

The goal of this course is to allow students understanding the different concepts of Financial Theory, enabling them to solve applied financial problems y adopt rational decisions within the Accounting and Finance areas.

Grading

The course will be taught by two instructors in two segments. Hugo Benedetti will lecture during the first 5 sessions and Siyi Shen the last 5 sessions. The contents of each segment will be evaluated separately.

Activity	Grade weight
Homeworks (1-4):	15%
Participation first segment	5%
First exam	30%
Homeworks (5-8)	15%
Participation second segment	5%
Final exam	30%

The undergraduate grading system for Summer Session is as follows:

A (4.00), A- (3.67)
B+ (3.33), B (3.00), B- (2.67)
C+ (2.33), C (2.00), C- (1.67)
D+ (1.33), D (1.00), D- (.67)
F (.00)

The graduate grading system for Summer Session is as follows:

A (4.00), A- (3.67)
B+ (3.33), B (3.00)
B- (2.67), passing but does not count toward degree
C (2.00), passing but not for degree credit
F (.00)

All students can access final grades through Agora after the grading deadline each semester. Transcripts are available through the [Office of Student Services](#).

Deadlines and Late Work

Homeworks are due at the beginning of the class. If a student is unable to attend a class, the student must send the homework by email prior the beginning of the class. There will be no make-up homeworks. However, only the 3 highest scores (out of 4) for each segment will be considered.

Course Assignments

It is expected that you will spend at least 8 hours per week on out-of-class assignments and exercises. These are listed below. Please note that some weeks will require more time and some weeks less time but the average is approximately 8 hours per week over the semester.

Course Schedule

Date/Week	Topic	Reading/Assignments	Due Date
May 16	Introduction	Chapters 1, 2 and 3	
May 21	Financial Accounting	Chapters 3 and 4	HW1 due May 21
May 23	Time Value of Money	Chapters 5 and 8	HW2 due May 23
May 28	No Class	Memorial Day	
May 30	DCF	Chapters 8 and 9	HW3 due May 30
June 04		First Exam	HW4 due June 4
June 06	Bond Valuation	Chapter 6.1-6.6	
June 11	Stock Valuation	Chapter 7.1-7.5	HW5 due June 11
June 13	Risk and Return	Chapter 11.1-11.5 & Chapter 12.1-12.4	HW6 due June 13
June 18	Cost of Capital & Capital Structure	Chapter 13.1-13.6 & Chapter 16.1-16.5	HW7 due June 18
June 20		Final Exam	HW8 due June 20

Attendance

Attending class is an important component of learning. Students are expected to attend all class sessions. When circumstances prevent a student from attending class, the student is responsible for contacting the instructor before the class meets. Students who miss class are still expected to complete all assignments and meet all deadlines. If circumstances necessitate excessive absence from class, the student should consider withdrawing from the class.

Consistent with BC's commitment to creating a learning environment that is respectful of persons of differing backgrounds, we believe that every reasonable effort should be made to allow members of the university community to observe their religious holidays without jeopardizing their academic status. Students are responsible for reviewing course syllabi as soon as possible, and for communicating with the instructor promptly regarding any possible conflicts with observed religious holidays. Students are responsible for completing all class requirements for days missed due to conflicts with religious holidays.

Accommodation and Accessibility

Boston College is committed to providing accommodations to students, faculty, staff and visitors with disabilities. Specific documentation from the appropriate office is required for students seeking accommodation in Summer Session courses. Advanced notice and formal registration with the appropriate office is required to facilitate this process. There are two separate offices at BC that coordinate services for students with disabilities:

- [The Connors Family Learning Center \(CFLC\)](#) coordinates services for students with LD and ADHD.
- [The Disabilities Services Office \(DSO\)](#) coordinates services for all other disabilities.

Find out more about BC's commitment to accessibility at www.bc.edu/sites/accessibility.

Scholarship and Academic Integrity

Students in Summer Session courses must produce original work and cite references appropriately. Failure to cite references is plagiarism. Academic dishonesty includes, but is not necessarily limited to, plagiarism, fabrication, facilitating academic dishonesty, cheating on exams or assignments, or submitting the same material or substantially similar material to meet the requirements of more than one course without seeking permission of all instructors concerned. Scholastic misconduct may also involve, but is not necessarily limited to, acts that violate the rights of other students, such as depriving another student of course materials or interfering with another student's work. Please see the [Boston College policy on academic integrity](#) for more information.