

SYLLABUS: FIL 240, Section 3

Department of Finance, Insurance, and Law
College of Business, Illinois State University
Spring 2024

By remaining enrolled in the course you signify your agreement that you will comply with the policies stated in the syllabus.

MEETING STUDENT EXPECTATIONS

Your academic program should help you develop solid critical thinking skills and build a strong foundation for your career. Therefore, we want this course to be the most valuable learning experience it can be. If you feel that we are not using effective learning tools or using class time productively, or have other concerns about course administration, you have the right to raise those concerns with the instructor, and with the instructor's department chairperson or other ISU administrators.

ACADEMIC INTEGRITY AND PROFESSIONAL BEHAVIOR

Students enrolled in College of Business classes are expected to maintain high standards of ethical conduct in the classroom and when completing assignments, projects, and/or exams. All students in this course are expected to be familiar with, and to adhere to, the College of Business Standards of Professional Behavior and Ethical Conduct. **Cheating and other forms of academic dishonesty will not be tolerated.** In FIL 240, our major area of concern is cheating on examinations. Cheating on an exam, which might occur through using unauthorized materials or devices, copying from another student's paper, or in any other form, is an act of *theft* and an insult to your fellow students, to your instructor, and to the University. As your instructor, I take reasonable steps to discourage cheating, and to catch it if it should occur. Any student caught cheating on an exam or any other major graded course activity will be assigned a grade of *F* for the course, and will be referred to ISU disciplinary authorities for further action. All aspects of the ISU Code of Student Conduct apply in this course as well; see <https://deanofstudents.illinoisstate.edu/downloads/Code%20of%20Student%20Conduct%20Effective%208.14.2020.pdf>.

TREATMENT OF OUR FANTASTIC STATE FARM HALL OF BUSINESS

To keep the building functioning as an attractive and extremely effective professional workplace, the College of Business prohibits the consumption of food or beverages in the classrooms. (Preventing damage to electronic equipment and carpets is a major concern, but keeping the facility looking good for students, staff, and visitors should be a goal we all share.) *Bottled water is the only consumable item you are welcome to have open during class. We will observe this rule without exception.*

COURSE INFORMATION & DESCRIPTION

Course Number & Title: FIL 240 – Business Finance, Section 3 (Honors Section) Credit Hours: 3
Prerequisites: ACC 132, MQM 100, ECO 101 and 102; students *must have met prerequisites* to remain in the class
Time and Location: 3:35 – 4:50 P.M. Monday and Wednesday (Face-to-Face), Room 133 State Farm Hall of Business

Our objective in FIL 240 is to introduce the student to various issues that must be considered by business concerns in making financial decisions. Class discussions will cover Topic outline material, and will also include some supplementary material for illustrative purposes. *In keeping with University, College of Business, FIL Department, and course policies, regular attendance is expected.* You are responsible for knowing all material covered in class, even if such material is not covered in the instructor's outlines or problem sets. You are responsible for knowing any information discussed in class, be it subject-related or an administrative matter, even if you are absent from class on the day of the announcement or presentation.

INSTRUCTOR INFORMATION

Instructor: Joseph W. Trefzger
Phone/e-mail/home page: 438-2966 (Office), 452-9557 (Home), trefzger@ilstu.edu (e-mail),
<https://about.illinoisstate.edu/jwtrefz> (Web home page, or can access from FIL Department home page)
Office Location: 333 State Farm Hall of Business
Office Hours: 12:45 – 1:45 P.M. and 5:15 – 6:15 P.M. Monday and Wednesday. Other times by appointment (or stop in at your convenience; I am also around at other times and on other days, afternoons and early evenings more so than mornings). Please do not hesitate to ask for an appointment, or to telephone me at home, if you are unable to see me during regular office hours or to catch me when you stop by.

RESOURCES/MATERIALS

My own outlines for all topics will provide the basis for most of our in-class discussion; these outlines are available on the course web site <https://about.illinoisstate.edu/jwtrefz/fil-240>. I also have produced my own problems for most chapters/Topics; these problems, and detailed solutions to the problems, are available on the web site. *Students generally find that their time in the classroom is much more productive if they have spent time with the outline (and possibly textbook), and perhaps even worked problems, before we talk about the related subject matter in class.* We move quickly and cover a lot of ground, so it is important to prepare well and not fall behind.

Problems with detailed solutions are on the web site, and videos of going over the problems are on Canvas. Videos assist you in working with the problems at your own pace.

If you like having a textbook, any good and reasonably recent introductory finance text should be fine as an extra tool to help you understand “big picture” background issues or see more detailed explanations, which is what you would tend to use it for. If you wish to have a textbook and do not have access to one that a friend or family member recently used, the suggested book is *Financial Management: Principles and Practice*, by T. J. Gallagher. The 9th (2022) Edition is available as a \$39.95 download (or as a more expensive hard copy) from the publisher, Textbook Media Co. (www.textbookmediapress.com). That web site also offers supplementary materials to use with the book, but there seems little reason to spend extra for those items since we have our own outlines and problem sets with detailed solutions. Earlier versions of this book also would be likely to serve our needs adequately, since basic financial concepts tend not to change in revolutionary ways over a few years’ time. Saving money in obtaining the kind of textbook support you might seek makes good financial sense.

Students also are encouraged to read articles in *The Wall Street Journal* or other timely sources of business and financial news, although you are not required to subscribe to any such publication, and never are held responsible, from a grading standpoint, for any material that is not specifically discussed in class.

Finally, each student should have a *calculator* that can handle exponents and logarithms; basic financial calculators are fine, but inexpensive scientific models also should meet our needs. The most popular financial calculator is the Texas Instruments BA II Plus (\$32-ish at stores with competitive pricing), and a cheap and user-friendly scientific calculator is the Texas Instruments 30 xa (\$10-ish at low-price stores). *You need not buy a financial calculator if ours is the only finance course you plan to take*; we do not encourage the use of the financial function key shortcuts in our introductory discussions of the time value of money. But do note that *during exams you may not use a graphing calculator or smart phone calculator app or any device that could become an electronic “cheat sheet” by letting you enter and store formulas, definitions, steps to follow, or any other disallowed type of information and then access that information in letter, symbol, or numeric form. A violation of the calculator policy will be penalized with, at a minimum, the loss of a full letter grade for the semester.* You also should not have direct access to any electronic devices other than permissible calculators during exams.

LEARNING OBJECTIVES/COURSE COMPETENCIES

The student who completes this course with a meaningful degree of achievement should be able to:

- Understand the information presented in a balance sheet and income statement
- Draw inferences on a company’s financial strengths and weaknesses by analyzing a series of financial ratios
- Do basic time value of money computations, such as those involving:
 - Rates of return
 - Loan payments
 - Retirement savings
- Apply capital budgeting tools (time value of money analysis in business investment situations)
 - Computing weighted average cost of capital
 - Doing computations for payback/NPV/IRR/MIRR analysis
 - Understanding strengths and weaknesses in payback/NPV/IRR/MIRR analysis
- Understand our capital (stock and bond) markets
 - Nature and functions of the markets
 - Risk and rates of return
 - Diversification, including international considerations
- Compute stock and bond values with traditional models
- Understand basic short-term financial management issues
 - Receivables and payables issues
 - Cash and marketable securities
 - Inventory
- Make basic use of spreadsheets as a financial management tool

Experience indicates that there is only one way to learn material of the type that is the focus of our course: read the assigned material, **work problems**, and keep up with our coverage of topics (and, as suggested earlier, look over the material before we discuss it together in class). Those who fall behind tend to find it very difficult to catch up, and those who attempt to learn simply by reading the outlines and/or quickly copying the problem solutions generally fall into all of the traps that await those who have prepared for exams only at a surface level.

COURSE REQUIREMENTS

Homework Submitted: Computational exercises will be assigned in connection with most Topics, and you are awarded credit for submitting carefully hand-worked solutions to the specifically assigned problems. The understanding the student gains in working the problems will then be extremely helpful in preparing for exams. You are encouraged to solve most of these problems with the help only of pencil/paper and the permissible calculator you will use during exams. It is this instructor’s belief that the latter technique (“getting up close and personal with the numbers”) is the best method for building knowledge of basic financial concepts, and that the student should not attempt to make extensive use of computers, or even of financial calculators’ programmed functions, in deriving solutions to financial problems until these basic concepts have been mastered. (Imagine how little grasp of long division someone would have after being taught on a calculator instead of actually working the problems out.)

However, during the semester, each student is expected to solve three problems requiring substantial computation via the computer, with the help of spreadsheet software such as Microsoft Excel.[®] Detailed instructions are provided for the

benefit of those without much spreadsheet experience, although the student is welcome to design his or her own solution to each spreadsheet problem as long as all assigned steps are covered in the output submitted. The 54 homework-plus-office-visit points (nine points for spreadsheet problem 3, eight points for each of the other written and spreadsheet assignments, and five points for visiting the office in person or by phone) account for 18% of the semester grade. There generally will be a point penalty for homework turned in after the due date listed, and after considerable time has elapsed from the due date it may be too late to justify awarding any credit. Resubmissions to correct errors generally are not permitted.

Recommended alternative: Students who take ISU Finance courses beyond the 190/240 level are required to show proof of completion of the Excel “Crash Course” from *Wall Street Prep*. Cost of the course is \$39, and total time to complete all of the course sections and related exams is said to be 8 to 10 hours. Anyone who gets a certificate of completion for the Crash Course automatically gets 25 points in place of doing our spreadsheet assignments. All Finance and Business Administration (who take FIL 242) majors are *strongly encouraged* to earn the spreadsheet homework points by taking the Crash Course – *you will have to do it before long anyway, so might as well do it now*. The link for signing up with *Wall Street Prep* is

<https://www.wallstreetprep.com/self-study-programs/excel-crash-course/>

Exams: There will be two midterm exams and a final. The first exam will be worth 78 points (26% of the semester grade), the second worth 78 points (26%), and the third worth a somewhat higher 90 points (30%). The exams are primarily computational in nature. In a section that is not overly large we generally use open-ended (not multiple-choice) scoring. The good news is that partial credit can be awarded; the bad news is that you have no ability to make educated (or wild) guesses in the event that you are unsure of what to do. Each of exams 1 and 2 will directly test only the material covered in class during that unit. The third exam will mostly cover unit 3 material, but we may have questions from earlier units if the instructor feels that it would be useful to revisit some earlier material. And there are some topics, such as time value of money, that we continue to work with throughout the semester. A thorough understanding of the examples in the outlines, and of assigned computational exercises, should prepare the student to perform well on exams.

Because tests will be administered during our regularly scheduled class periods, it is assumed that an individual will miss an exam only in the event of a medical or other emergency. *Make-up exams will be more difficult* since students taking late exams have more time to prepare. The initial plan is for any needed make-up exams to be administered during the week immediately preceding finals week. (A make-up exam is not a second chance for those who were unhappy with their scores on regular exams; each student must decide whether to take the regular exam with the class or the more difficult make-up during the busy end-of-semester period. A goal of this policy is to encourage everyone to keep up with our Topic coverage, and not fall behind, so that taking the harder make-up exam will not be an issue.) Any student with a question on the score received on a regular or make-up exam must talk with the instructor no later than one week after scores are communicated.

The specific breakdown of semester points is as follows:

Office Visit (or phone call, try to do during first few weeks)	5 Points
Written Homework 1 (accounting, time value of money)	8 Points
Spreadsheet Problem 1 (retirement savings)	8 Points
Written Homework 2 (time value, capital budgeting)	8 Points
Spreadsheet Problem 2 (capital budgeting & pivot tables)	8 Points
Written Homework 3 (bond and stock valuation)	8 Points
Spreadsheet Problem 3 (bond valuation)	9 Points
Exam 1	78 Points
Exam 2	78 Points
Final Exam	<u>90 Points</u>
Semester Total	300 Points

Bring a current photo ID (ISU, or State of Illinois ID/driver’s license) to every exam.

We likely will not use Canvas for reporting grades. Some students always have trouble uploading assignments and send them instead as e-mail attachments, so Canvas will not have correct point totals and I must keep my own grading sheet anyway. Students generally have been content with e-mailed individual grade reports that they say contain more information than grade reports on Canvas have provided in other courses.

Participation: You are encouraged to ask questions and join in class discussions, though there is no direct credit for participating. *Regular attendance is expected*, however, and I try to reward those who attend with special pointers for exam preparation. Please see the section on Classroom & Class-Related Behavior below for additional issues regarding attendance.

Special Needs: Any student needing to arrange a reasonable accommodation for a documented disability and/or physical/mental health condition should contact Student Access and Accommodation Services at 350 Fell Hall, (309) 438-5853, or visit StudentAccess.IllinoisState.edu.

GRADING POLICIES

Semester letter grades will be assigned based on a “curve” of total points, with a reasonable number of As, Bs, Cs, *etc.* determined according to the instructor’s judgment. There is no way to state in advance what proportion of total points will be needed for achieving a particular letter grade, but the student will be made aware of his or her standing in the class at the end of each unit, after the exams have been graded.

The instructor is not able to be sympathetic to end-of-semester pleas for “generosity” from those who “need” particular grades to graduate, stay off academic probation, *etc.* Deviating from the grade breakdown based on point totals is unfair to other students. No extra credit opportunities will be provided during the semester or at the end of the semester; such second chances can be unfair to those who have worked diligently all along. Anyone who must earn a specified letter grade to sustain his/her academic standing should so notify the instructor early in the semester, so the instructor can assign added work and monitor the student’s activities to help assure that the needed level of understanding is present.

CLASSROOM AND CLASS-RELATED BEHAVIOR

CHEATING. Cheating will not be tolerated. The instructor takes reasonable steps to discourage this form of *theft*. For example, there will be two different forms of each exam (containing questions in different order, with different numbers in numerical examples and different ordering of correct answers) to make it difficult to copy from an adjacent student. During exams you are asked not to wear hats with brims (baseball caps may be turned around “catcher style”), may not listen to any type of audio device, must sit as indicated per the seating chart if we have one, and must place detachable calculator covers in your book bags. As noted earlier, calculators that allow for alphabetical entries or information retrieval (or phone apps that allow for Internet access) are not permitted during exams.

The instructor will closely observe all activities in the room during exams. Any student caught cheating on an examination will be assigned a grade of “F” for the course and will be referred to University disciplinary authorities for further action. As stated, a student caught using an inappropriate calculator, even when there is no evidence of retrieving alphabetical information, will be assessed an academic penalty no less severe than the forfeiting of one letter grade for the semester. We even consider it a form of cheating when students conspire to sign attendance sheets (sometimes used in smaller class sections) for their absent classmates, since attendance can affect a student’s semester letter grade in a true borderline case.

INCONSIDERATE BEHAVIOR IN CLASS. Each student is asked to show consideration for the instructor and other students. Inconsiderate behavior is disrespectful to fellow students and the instructor, because it makes their task of learning/teaching more difficult, and ultimately can affect classroom morale. Examples of inconsiderate class behavior include, but are not necessarily limited to:

- Talking with other students during class
- Needlessly and repeatedly arriving at class late/leaving class early
- Using class time to e-mail, text-message, surf the web, play games, do homework for other courses, listen to music, sleep, *etc.*

Please do not disrupt the class or distract your neighbors with idle conversation, or engage in other types of inconsiderate behavior as suggested above. **You are encouraged to leave your phone and computer in your book bag if having access to them tempts you to use them for non-class activities that can distract you and those around you.** (“Multi-tasking” means not paying attention.) Your aging instructor is becoming quite impatient with individuals who must ask simple questions (on course administration matters, for example) outside of class because they were not paying attention in class. We may ask certain students not to sit together if they need to be separated after showing too much inclination to converse or otherwise distract each other during class.

POOR ATTENDANCE. An increasingly prevalent form of inconsiderate class-related behavior is frequent absence from class. Under “Expectations of Students” in *ISU College of Business Standards of Professional Behavior and Ethical Conduct* (see <https://business.illinoisstate.edu/downloads/about/Standards%20of%20Professional%20Behavior.pdf>), the first point listed is “As a College of Business Student I will attend all class sessions, arriving on time and remaining until dismissed.” The expectation of the University, College of Business, and FIL Department – and not just the expectation of your instructor – therefore is that you will attend class regularly. I am becoming extremely unhappy with the inconveniences that arise through many students’ failure to take class attendance seriously. Too often we must deal with needless administrative problems involving students who are chronic non-attenders. Regular attendance means no, or very rare, absences (is an employee who shows up for work ¾ of the time praised?). So you should not miss class unless you genuinely are sick or have a family emergency, generally the only reasons that would justify missing work. Poor attendance, like other inconsiderate behavior, will not be rewarded. *In fact, those who do not plan to attend class regularly, and to comply with our other classroom and class-related behavior guidelines, should drop the course now.* The instructor becomes quite unhappy with flimsy justifications for being absent (“I’m doing all right grade-wise,” “I talk to students who are there”). Our meeting times are publicized months in advance; your work schedule and other outside activities should not impede your ability to attend class, arrive on time, or remain until our session ends.

We generally will take attendance at the start of each class period. Everyone is encouraged to arrive on time and leave only after class has been dismissed. Anyone not seated when attendance is taken may be deemed to be absent for attendance purposes, as may be anyone spotted web surfing or otherwise behaving inappropriately. Those who seem to be gaming the attendance system may be marked absent after the fact.

I am not on a “power trip,” as one student thoughtfully suggested. The University requires instructors to keep attendance records for purposes of twice-per-semester academic progress reports; for those who are struggling academically we are asked to state the number of classes missed. *Keeping attendance records also helps preserve the instructor’s sanity*; it makes little sense to engage in pointless discussions about how hard a non-attender is trying. There is no direct credit for attending class, but attendance can be the determining factor for semester letter grades in true borderline cases; in fact, we sometimes can justify dropping the end-of-semester A, B, or C cutoff a bit to include someone who has contributed to our educational efforts by attending regularly and being a good role model for others. (Poor attendance leaves the student with the lower grade in a borderline case.) The really good news is that regular attendance correlates with better class performance; students who earn As for the semester almost always are individuals with good attendance. (Admittedly, in the typical semester a few unfortunate students with strong attendance do poorly grade-wise. But such individuals often concede that they have treated the course too much like a “spectator sport,” trying to use viewing class lectures as a replacement for reading and working problems on their own – you have to do both!)

If you are dealing with a very difficult personal situation, including illness or a loved one’s severe illness or recent death, please let the instructor know, just as you would inform your supervisor at work. You also may wish to contact the Office of Student Affairs, which in some cases can provide help or support to those dealing with serious personal/family difficulties.

OFFICE HOURS

Office hours provide an opportunity for those whose questions were not answered in class to obtain further clarification, or to discuss other matters of interest to the student. We may end up talking about the course, your major and career plans, our home towns, and favored major league sports teams; *I enjoy having you come to the office*. However, this period is *not* a private tutoring session for those who can not be bothered with attending class. I like being accessible to those with questions, but because every instructor works with many students we all have to do our part, and for the student the first step is attending class. And as noted, I am becoming increasingly impatient with those who must ask questions on simple administrative points that have been addressed repeatedly in class. In fact, a student who asks a question regarding an administrative matter that has been addressed repeatedly in class will be directed to consult his or her class notes.

PROBABLE SCHEDULE OF READING ASSIGNMENTS

The dates and Topics listed below present our initial plan for the semester’s activities. If we fall behind we may have to deviate somewhat from this plan (in some semesters we end up condensing coverage in some of the later Topics). But it is extremely unlikely that we would ever change the scheduling of an exam even if we had not covered the planned material prior to the planned exam date; we would be likely instead to move material to the next exam. More heavily emphasized topics are designated with asterisks (*) below.

Wed. Jan. 17 Introduction to Course – Topic 1: Overview of Financial Management
Also in week 1: you are encouraged to watch the three videos on Canvas that cover Topic 1 material (takes about 90 minutes total), and do the reading on debt and equity financing (on web site). This fairly light material helps build some good foundation/background knowledge.

Mon. Jan. 22 **WRITTEN AND SPREADSHEET HOMEWORK ASSIGNMENTS 1 AVAILABLE TO VIEW ON CANVAS**

Mon. Jan. 22 Topic 2: Understanding Financial Statements*

Wed. Jan. 24 Topic 2: Understanding Financial Statements*

Mon. Jan. 29 Topic 3: Analyzing Financial Statements*

Wed. Jan. 31 Topic 3: Analyzing Financial Statements*

Mon. Feb. 05 Topic 3: Analyzing Financial Statements*

Wed. Feb. 07 Topic 4: Time Value of Money* [*You may want to skip reading the book and focus on our extensive time value outline, which is designed to be more comprehensive than most textbooks’ coverage.*]

Mon. Feb. 12 Topic 4: Time Value of Money*

Wed. Feb. 14 Topic 4: Time Value of Money*

Mon. Feb. 19 Topic 4: Time Value of Money*

Tue. Feb. 20 **WRITTEN HOMEWORK 1 DUE, please upload to Canvas by 11:55 PM**

Wed. Feb. 21 **EXAM 1**

Sat. Feb. 24 **SPREADSHEET PROBLEM 1 DUE, please upload to Canvas by 11:55 PM**

Mon. Feb. 26 **WRITTEN AND SPREADSHEET HOMEWORK ASSIGNMENTS 2 AVAILABLE TO VIEW ON CANVAS**

Mon. Feb. 26 Topic 4: Time Value of Money*

Wed. Feb. 28 Topic 5: Cost of Capital*

Mon. Mar. 04	Topic 5: Cost of Capital*
Wed. Mar. 06	Topic 6: Capital Budgeting Techniques*
Mon. Mar. 18	Topic 6: Capital Budgeting Techniques*
Wed. Mar. 20	Topic 6: Capital Budgeting Techniques*
Mon. Mar. 25	Topic 8: Capital Structure and Leverage
Wed. Mar. 27	Topic 8: Capital Structure and Leverage
Mon. Apr. 01	Topic 9: Capital Markets
Tue. Apr. 02	WRITTEN HOMEWORK 2 DUE, please upload to Canvas by 11:55 PM
Wed. Apr. 03	EXAM 2
Sat. Apr. 06	SPREADSHEET PROBLEM 2 DUE, please upload to Canvas by 11:55 PM
Mon. Apr. 08	WRITTEN AND SPREADSHEET HOMEWORK ASSIGNMENTS 3 AVAILABLE TO VIEW ON CANVAS
Mon. Apr. 08	Topic 10: Bonds*
Wed. Apr. 10	Topic 10: Bonds*
Fri. Apr. 12	LAST DAY TO DROP A COURSE
Mon. Apr. 15	Topic 11: Risk and Return
Wed. Apr. 17	Topic 12: Dividends and Dividend Policy
Mon. Apr. 22	Topic 12: Dividends and Dividend Policy; begin Topic 13: Preferred and Common Stock*
Wed. Apr. 24	Topic 13: Preferred and Common Stock*
Mon. Apr. 29	Topic 13: Preferred and Common Stock*; begin Topic 14: Short-Term Finance
Wed. May 01	Topic 14: Short-Term Finance
Fri. May 03	WRITTEN HOMEWORK 3 DUE, please upload to Canvas by 11:55 PM
Sat. May 04	SPREADSHEET PROBLEM 3 DUE, please upload to Canvas by 11:55 PM

EXAM 3 (Final Exam) will be administered at our assigned final exam time; that information should be available on iCampus by mid semester.

EPILOGUE: A STATEMENT OF TEACHING PHILOSOPHY

A widely cited classic study on teaching (Chickering and Gamson, "Seven Principles for Good Practice in Undergraduate Education," *The Wingspread Journal*, 1987) describes educational practices that have withstood the test of time in their proven effectiveness. Some of the ways I try to incorporate the seven principles are addressed indirectly in the paragraphs above. A more direct discussion of ways in which I approach the seven recommendations follows.

1. Encourage student-faculty contact

I view the university educator's primary task as helping students prepare to succeed in a difficult, competitive world, and to prepare for their roles as leaders in the organizations that will employ them and in the communities where they will live. In approaching this task, I do my best to:

- generate interest in the subject material, and in the learning process
- stress basic concepts and the interrelationships among disciplines, so that students will be prepared to learn new applications in a changing environment
- make difficult material as accessible as possible by providing effective learning tools
- instill a sense of ethics
- serve as a role model

In large lecture classes (which have become an economic necessity for state universities), more so than in smaller sections, I often must assume the role of disciplinarian in the classroom, so that the various attendant distractions do not interfere with the learning process for serious students. At the same time, I try to remain as accessible as possible to those enrolled, be it in a small or large (or even on-line) section, and to offer special encouragement to visit my office. While web sites and course management systems can be useful tools for making information available, technology should not displace the personal contact through which students connect with their studies and the university.

2. Encourage cooperation among students

I view students as role models for each other, and encourage regular class attendance as one aspect of mutual encouragement (why attend class if others, especially those who are doing well, see no reason to?). Those who attend faithfully are welcome to participate in pre-exam review sessions (sometimes held for large class sections), where cooperation continues as students benefit from hearing each others' questions. Despite the need to distinguish levels of performance and often "curve" results, I do not want students to harbor undue thoughts of competing against each other for grades. If they work together

appropriately to help each other learn, and the scores on graded activities provide strong evidence that learning has occurred, my grading approach does not preclude high marks for all who demonstrate high achievement.

Of course, while grades are not the sole motivation for learning, it is important to recognize higher demonstrated achievement through the grading system, the only “paper” reward scale we have. Those who earn the highest scores are deemed to have attained the greatest mastery of the material, and are rewarded with the best grades. Still, grading is part science, part art, and part gut-level experience. The art and experience aspects come into play when the grader must ponder how fair it is, for example, to call a given point total a *C* when someone with a much higher total missed a *B* by just one point; thus most semesters, even in Honors sections, end with a range of *A* through *D* or even *F* results. But over the years I have had some classes with no *D* or *F* semester grades, one in which all grades were *A* (a small, exceptional group of graduate students who were unusually motivated and cooperated strongly), and one with no *A* grades (a graduating group with mass senioritis and little mutual support). You should strive to excel, and to help others excel also.

3. Encourage active learning

While we can not ignore the changing external environment, faculty and students must work together toward building basic, traditional skills as essential tools for dealing with changes that will occur in the future, and that we have no ability to foresee. We must avoid the trap of devoting more attention to faddish developments than to instilling fundamental understanding. In many cases, it can be said that the student who truly and thoroughly understood a well-written introductory textbook would have more complete knowledge than the typical graduate who has finished several fact-intensive advanced courses. A favorite quote of mine is Einstein’s observation that “Education is what remains after the facts have been forgotten.”

The only method I know for mastering basic financial concepts is to work relevant numerical examples. I have devoted tremendous time to creating a set of problems and detailed solutions (available on the FIL 240 and 260 class web sites) for students to use in learning introductory and some more advanced finance material. Students have provided considerable positive feedback on the quality and quantity of these tools, and on their applicability to our coverage.

4. Communicate high expectations

I view the study of financial markets and transactions as an exercise in critical thinking. Most of what transpires in the financial world is based on logic and common sense. For example, parties that invest money will not accept higher risk unless they perceive a chance to earn higher financial returns – and indeed expect to earn those higher returns over the long term. (Occasionally the connection to logic seems to be missing; in such instances institutional factors – a long-held tradition, or a law that reflects political compromise more than logic – tend to provide some explanation as to why.)

Because critical thinking is so essential to our coverage, I try to avoid pure memorization and the reliance on formula sheets, tables, or programmed calculator functions in favor of a reasoning process. While I ask students to remember many key ideas and relationships, they achieve the greatest success by moving quickly to supplant rote memorization, which sometimes is a necessary first step, with a reasoning approach (“tell yourself a story” about the material). Memory can fail you during an exam, or even in the “real world,” but your reasoning powers will not. I believe in students’ ability to think critically and use their analytical skills, and enjoy seeing their satisfaction at strengthening these skills and gaining new knowledge.

5. Emphasize time on task

The critical thinking that accompanies introductory finance includes managing scarce time resources effectively. One facet is keeping up with the topics covered; I stress that our material tends to require “sink-in” time, and can not be learned effectively in pre-test cram sessions. Another facet is being able to work efficiently; our FIL 240 and 260 exams are, part by necessity and part by design, time management challenges as well as intellectual challenges. I explain that those who need inordinate amounts of time to demonstrate understanding are likely to lack an effective command of the material.

6. Provide prompt feedback

Whether exams are computer scored (as they typically must be in large FIL 240 class sections) or hand-graded, I make every effort to provide feedback by the subsequent class meeting or, at the latest, within a week. Students naturally are anxious to see their results, and providing timely information helps reward their diligent efforts in preparing. Prompt feedback also is more effective, in that it comes to students while the related activities and materials are still fresh in their minds.

7. Respect diverse talents and ways of learning

The introductory finance course draws enrollments from across campus, all students majoring or minoring in business fields. Those who are used to reading-focused course work can find it difficult to switch to a computational setting. One reason for devoting so much time to creating my own learning materials was to allow those who need more time, more explanation, or merely more examples to proceed at their own pace. Sometimes teaching takes place “in the trenches:” seeking creative approaches to helping one individual student who needs assistance, or simply repeating variations on the standard examples until the light of understanding finally shines through. Little is more gratifying than seeing someone who initially says “I can’t do this” emerge with success and a newfound sense of confidence. ✍

BRIEF SYLLABUS: FIL 240, Spring 2024, Section 3

Department of Finance, Insurance, and Law
College of Business, Illinois State University

You are encouraged to read the more complete version of the course syllabus at <https://about.illinoisstate.edu/jwtrefz/fil-240>.
By remaining enrolled in the course you signify your agreement that you will comply with the policies stated in the syllabus.

MEETING STUDENT EXPECTATIONS

Your academic program should help you develop solid critical thinking skills and build a strong foundation for your career. Therefore, we want this course to be the most valuable learning experience it can be. If you feel that we are not using effective learning tools or using class time productively, or have other concerns about course administration, you have the right to raise those concerns with the instructor, and with the instructor's department chairperson or other ISU administrators.

ACADEMIC INTEGRITY AND PROFESSIONAL BEHAVIOR

Students enrolled in College of Business classes are expected to maintain high standards of ethical conduct in the classroom and when completing assignments, projects, and/or exams. All students in this course are expected to be familiar with, and to adhere to, the College of Business Standards of Professional Behavior and Ethical Conduct. **Cheating and other forms of academic dishonesty will not be tolerated.** In FIL 240, our major area of concern is cheating on examinations. Cheating on an exam, which might occur through using unauthorized materials or devices, copying from another student's paper, or in any other form, is an act of *theft* and an insult to your fellow students, to your instructor, and to the University. As your instructor, I take reasonable steps to discourage cheating, and to catch it if it should occur. Any student caught cheating on an exam, the paper, or other graded course activity will be assigned a grade of *F* for the course, and will be referred to ISU disciplinary authorities for further action. All aspects of the ISU Code of Student Conduct apply in this course.

COURSE INFORMATION & DESCRIPTION

Course Number & Title: FIL 240 – Business Finance, Section 3

Credit Hours: 3

Prerequisites: ACC 132, MQM 100, ECO 101 and 102; students *must have met prerequisites* to remain in the class

Time and Location: 3:35 P.M. – 4:50 P.M. Monday and Wednesday (Face-to-Face), Room 133 State Farm Hall of Business

Bottled water is the only consumable item you are welcome to have open during class – rule is observed without exception

Our objective is to introduce the student to various issues that must be considered by business concerns in making financial decisions. Class discussions will cover Topic outline material, and include some supplementary material for illustrative purposes. *In keeping with University, College of Business, FIL Department, and FIL 240 course policies, regular attendance is expected* (see <https://business.illinoisstate.edu/downloads/about/Standards%20of%20Professional%20Behavior.pdf>). You are responsible for knowing all material covered in class, even if such material is not covered in the outlines or problem sets, and for knowing any information discussed in class, be it subject-related or administrative, even if absent from class on the day of the announcement or presentation.

The only way to learn material of the type that is the focus of our course is to read the assigned material, **work problems**, and keep up with our coverage of topics (and look over the material before we discuss it together in class). Those who fall behind tend to find it very difficult to catch up, and those who attempt to learn simply by reading the outlines and/or reading through problem solutions generally fall into all of the traps that await those who have not prepared effectively for exams.

INSTRUCTOR INFORMATION

Instructor: Joseph W. Trefzger

Phone/e-mail/home page: 438-2966 (Office), 452-9557 (Home), trefzger@ilstu.edu (e-mail),

<https://about.illinoisstate.edu/jwtrefz> (Web home page, or can access from FIL Department home page)

Office Location: 333 State Farm Hall of Business

Office Hours: 12:45 – 1:45 P.M. and 5:15 – 6:15 P.M. Monday and Wednesday. Other times by appointment (or stop in at your convenience; I'm also around at other times and on other days, afternoons and early evenings more so than mornings). Please do not hesitate to ask for an appointment, or to telephone me at home, if you are unable to see me during regular office hours or to catch me when you stop by.

RESOURCES/MATERIALS

- Instructor's own outlines, problems, and detailed solutions on web site. Videos of working problems on Canvas.
- Suggested textbook is *Financial Management: Principles and Practice* by Gallagher, 9th Edition (2022), Textbook Media Co. Available as \$39.95 download (or more expensive hard copy; no need to spend extra for supplementary materials) at www.textbookmediapress.com. (Or earlier edition of this/other finance textbook should be OK for "big picture" coverage.)
- *Calculator* that can handle exponents and logarithms; basic financial calculators (like TI BA II Plus, \$32 or so) are fine, but inexpensive scientific calculators (like TI 30 xa, \$10 or so) also should do the job. *Note: during exams you may not use graphing calculator or smart phone app or any type calculator that could become electronic "cheat sheet" by letting you enter/store formulas, definitions, steps, any other disallowed type info. and then access that info. in letter, symbol, or numeric form.* You should have no direct access to any electronic device other than permissible calculator during exams.

COURSE REQUIREMENTS

Written Homework: Computational exercises are assigned with most topics; work carefully (solutions are provided) and submit for credit. Videos on Canvas assist you in going over the problems at your own pace.

Spreadsheet Homework: Three problems requiring substantial computation via the computer, with the help of spreadsheet software such as Microsoft Excel.[®] Written and spreadsheet problems together, with office visit, account for 18% of semester grade (54 points total). Generally penalty or no credit for solutions turned in after the due date. See the complete syllabus for information on the alternative of completing the Excel “Crash Course” from *Wall Street Prep* to earn the 25 spreadsheet homework points.

Exams: First midterm exam worth 26% of semester grade (78 points), second midterm exam worth 26% of grade (78 points), and a final worth 30% of semester grade (90 points). Mostly computational questions, open-ended so partial credit can be awarded. Each of exams 1 and 2 will test only material covered in class during the applicable unit, while exam 3 could bring in questions from earlier units, and there are some topics, such as time value of money, that we continue to work with throughout the semester. *Bring current photo ID (ISU/driver’s license) to every exam.* Make-up exams will be more difficult, since late takers have more time to prepare. Initial plan is for any needed make-up exams to be administered during the week immediately preceding finals week. Any student with question on score for regular or make-up exam must talk with the instructor no later than one week after the score has been communicated.

Special Needs: Any student needing to arrange a reasonable accommodation for a documented disability and/or medical/mental health condition should contact Student Access and Accommodation Services at 350 Fell Hall, (309) 438-5853, or visit StudentAccess.IllinoisState.edu.

GRADING POLICIES

“Curve” of total points, with reasonable number of *As, Bs, Cs, etc.* determined according to instructor’s judgment. Student will be made aware of his or her standing in the class at the end of each unit in class, after the exams have been graded.

CHEATING not tolerated. The instructor will take reasonable steps to discourage this form of *theft*.

CLASSROOM AND CLASS-RELATED BEHAVIOR

Each student is asked to show consideration for fellow students and instructor. Inconsiderate behavior is disrespectful to fellow students and instructor, because it makes their task of learning/teaching more difficult, and ultimately can affect classroom morale. Examples of inconsiderate class behavior:

- Frequent non-attendance
- Repeatedly arrive late/leave early
- Talk with other students during class, listen to music, play games
- Text, e-mail, surf web, sleep, homework, *etc.*

Your aging instructor is becoming quite impatient with individuals who must ask simple questions (on course administration matters, for example) outside of class because they were not paying attention in class, and is becoming even more impatient with the inconveniences that arise when students fail to attend regularly. We generally will take attendance at the start of each class; please be on time to avoid being counted absent. Regular attendance means no, or very rare, absences. Inconsiderate behavior will not be rewarded. In fact, **those who do not plan to attend class regularly, and to comply with our other classroom and class-related behavior guidelines, should drop the course now.**

If you are dealing with a very difficult personal situation, including illness or a loved one’s severe illness or recent death, please let the instructor know, just as you would inform your supervisor at work. You also may wish to contact the Office of Student Affairs, which can in some cases provide help or support to those dealing with serious personal/family difficulties.

THE PURPOSE OF OFFICE HOURS

Opportunity for questions/further clarification, or discuss other matters of interest to student. **Not** a private tutoring session for those who do not attend class. As noted, I am becoming increasingly impatient with questions on simple administrative points already addressed in class. In fact, student who asks question regarding administrative matter that has been addressed repeatedly in class will be directed to consult class notes. See longer version of syllabus for more complete information.

IMPORTANT DATES (please see more complete syllabus on web site for complete tentative schedule)

Exam 1: Wed. Feb. 21

Exam 2: Wed. Apr. 3

Exam 3 (Final): Check *iCampus*

HW & Sp 1 Due: Feb. 20 & 24

HW & Sp 2 Due: Apr. 2 & 6

HW & Sp 3 Due: May 3 & 4

Last Drop Date: Fri. Apr. 12

PROBABLE SCHEDULE OF READING ASSIGNMENTS (*Please see more complete syllabus on the web site*)