Proposal to Change a Course

NOTE: All gray text boxes must be completed (even if you just put N/A into them), otherwise the committee must consider the form incomplete.

Contact person Justin D. Benefield  Email address benefieldj@cofc.edu  Phone 953-1992

1. Department: Economics and Finance

2. Course Number and Title: FINC 382 - International Financial Markets

3. Semester and year when the course change(s) will go into effect: Fall 2012

4. Change(s) Desired (Note: if more than 2 items listed under “Typical changes handled by this form” in Guidelines for Planning to Change a Course, then a New Course form must be completed):

   Change course title to:
   International Financial Management

   Change course description to:
   This course introduces the operation of international financial markets and financial management in the global environment. It builds an understanding of international finance through both theoretical and practical approaches. Topics covered will include history and development of currency markets, currency derivatives and their applications, types of foreign exchange risk exposure and hedging strategies, market microstructure, and trade finance.

5. Justification for Change(s):

   Update course description to more accurately reflect necessary content.

6. Is this course to be added to the Degree Requirements of a Major, Minor, Concentration or List of Approved Electives?
   a) ☑ yes  □ no

   b) If yes, complete the Change Degree Requirements form(s) and list the name(s) of the major, minor, concentration and/or list of approved electives here:
       Approved elective for new major in finance.

7. Is the course part of any other degree or program? Please consult the most up to date undergraduate catalog and search for uses of the course to see who should be contacted. If yes, what department/program? Please contact the department chair/program director and request a note or email that they are aware of the proposed change and include that note with the proposal.
   Yes, the International Business major in the Department of Marketing and Supply Chain Management in the School of Business. An acknowledgement letter is attached to this form.

This form was approved by FCC on 8/17/2010 and replaces all others.
Proposal to Change a Course

8. Signature of Department Chair or Program Director: 
   
   Date: 4/14/11

9. Signature of Dean of School: 
   
   Date: 4/14/11

10. Signature of Curriculum Committee Chair: 
    
   Date: 

11. Signature of Faculty Senate Secretary: 
   
   Date Approved by Senate: 

   Completed form should be sent by the Faculty Senate Secretary to the Registrar. After implementation, information concerning the passed course and program changes will be provided by the Registrar to all faculty and staff on campus.
### STUDENT LEARNING OUTCOMES and ASSESSMENT

<table>
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<td>What will students know and be able to do when they complete the course/minor/program?</td>
<td>How will each outcome be measured? Who will be assessed, when, and how often? How well should students be able to do on the assessment?</td>
</tr>
<tr>
<td>1. Student will be able to discuss the history, development, and operation of currency exchange markets.</td>
<td>Will be assessed via exams and the trading game. All students in the class will be assessed on the scheduled exam dates, which happen four times per semester, and on the date that the final trading game report is due, which happens once per semester. The student should be able to earn a passing average across these assessments.</td>
</tr>
<tr>
<td>2. Students will display a thorough understanding of types of currency derivatives, including valuation related to maintaining a position and valuation related to covering a position.</td>
<td>Will be assessed via exams and the trading game. All students in the class will be assessed on the scheduled exam dates, which happen four times per semester, and on the date that the final trading game report is due, which happens once per semester. The student should be able to earn a passing average across these assessments.</td>
</tr>
<tr>
<td>3. Students will display a thorough understanding of the different risk exposures faced in foreign exchange markets, as well as the various hedging strategies that exist to mitigate those risk exposures.</td>
<td>Will be assessed via exams and the trading game. All students in the class will be assessed on the scheduled exam dates, which happen four times per semester, and on the date that the final trading game</td>
</tr>
<tr>
<td>4. Students will be able to discuss the similarities and differences in structure and operation of the major international financial markets, as well as the main institutional players in those markets.</td>
<td>Will be assessed via exams. All students in the class will be assessed on the scheduled exam dates, which happen four times per semester. The student should be able to earn a passing average across these assessments.</td>
</tr>
</tbody>
</table>

If a course/minor, how does it align with the student learning outcomes articulated for the major, program, or general education? What program-level outcome or outcomes does it support? Is the content or skill introduced, reinforced, or demonstrated in this course? The course contributes to the development of communication skills, quantitative fluency, global civic responsibility, and intellectual innovation and creativity, which are four of the proposed over-arching student learning outcomes for the finance major. The mission of the finance program is to provide students with the intellectual and analytical tools necessary to function in the dynamic, global economy and related financial markets; a thorough understanding of measuring and ameliorating currency exchange risk, as well as the basics of international markets and institutions, is very helpful in achieving that end. Some content, such as measuring and hedging currency risk, will be introduced. Some content, such as basic time value of money relationships and asset allocation, will be reinforced. All problem-oriented content covered will be demonstrated.
College of Charleston
FINC-382 International Financial Markets, Course Syllabus
Fall 2009

Instructor: Hao-Chen Liu

Class Time:
Section 1: 1:00 to 1:50 p.m., Monday, Wednesday, Friday
Section 2: 2:00 to 2:50 p.m., Monday, Wednesday, Friday

Office/Phone/E-mail: J.C. LONG 331, 953-1988, liuh@cofc.edu

Office Hours:
9:30 a.m. to 11 a.m. on Monday, Wednesday, and Friday, or by appointment

Course Objectives
This course introduces the operation of international financial markets and financial management in the global environment. Students will develop an understanding of international finance through both theoretical and practical approaches. Students will be expected to develop competency in the following areas:

(1) Students will obtain knowledge pertaining to the history, development, and mechanisms of currency markets

(2) Students must understand international finance instruments such as currency derivatives and their uses

(3) Students will develop an appreciation of foreign exchange exposure and management

(4) Students will obtain a working knowledge of international financial markets and institutions

Relationship to School of Business and Economics Learning Goals
Global Awareness – The course is about international financial markets, so a thorough understanding of the types of risks faced by firms operating internationally is clearly required. Currency risk is the obvious example, but differing liquidity risk for foreign securities, different term structures across various economies, and even different levels of sovereign risk must be contemplated as well.
Relationship to School of Business and Economics Learning Goals (continued)

Effective Communications – The course requires the completion of a trading game report, detailing trading activities and their rationales, which is due at the end of the semester. The report is graded quite stringently for composition as well as content.

Ethical Awareness – The nature of the material covered allows several areas of the course to incorporate ethical decision-making. For example, currency traders are relatively lightly monitored at many financial institutions, allowing the possibility of risking large sums of clients’ money as the line between hedging and speculating is crossed. Alternatively, at what point is the line between an informed investor and an inside trader crossed? The answer becomes very important in consideration of market microstructure.

Problem Solving Ability – The course requires intensive calculations related to the pricing of currency derivatives, the use of currency derivatives in hedging currency risk exposure, and investment decision-making. Problem solving ability is honed extensively.

Required Textbook:

Prerequisite:
Junior standing; ECON 200, 201; FINC 303

Grade Determination
Final grade will be determined as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam 1</td>
<td>20%</td>
</tr>
<tr>
<td>Exam 2</td>
<td>20%</td>
</tr>
<tr>
<td>Exam 3</td>
<td>20%</td>
</tr>
<tr>
<td>Final Exam (Comprehensive)</td>
<td>25%</td>
</tr>
<tr>
<td>Trading Game</td>
<td>10%</td>
</tr>
<tr>
<td>Wildcard for best all-around performance</td>
<td>5%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

The wildcard increases the importance of your best scores.
The Overall Performance Score computes with this letter grade distribution:

\[
\begin{align*}
92.0 \leq & \text{ average } \Rightarrow A & 72.0 \leq & \text{ average } < 77.0 \Rightarrow C \\
89.5 \leq & \text{ average } < 92.0 \Rightarrow A- & 69.5 \leq & \text{ average } < 72.0 \Rightarrow C- \\
87.0 \leq & \text{ average } < 89.5 \Rightarrow B+ & 67.0 \leq & \text{ average } < 69.5 \Rightarrow D+ \\
82.0 \leq & \text{ average } < 87.0 \Rightarrow B & 62.0 \leq & \text{ average } < 67.0 \Rightarrow D \\
79.5 \leq & \text{ average } < 82.0 \Rightarrow B- & 59.5 \leq & \text{ average } < 62.0 \Rightarrow D- \\
77.0 \leq & \text{ average } < 79.5 \Rightarrow C+ & \text{ average } < 59.5 \Rightarrow F
\end{align*}
\]

Trading Game

This game replicates a foreign exchange market. The purpose of this game is to make you familiar with foreign exchange trading. Each of you will participate on a daily basis in a web-based trading market. The game starts the week after exam 1 and ends one week before the end of the semester. Your grade on the game will be based on your participation and a trading game report to be turned in at the end of the semester. More detailed information will be provided.

Exam Policy:

- Exams are administered in-class and therefore time conflicts should not occur. No make-up exam will be given. If extenuating circumstances cause you to miss an exam then you, or your designee, must contact me, or the Finance administrative assistant (953-8100), the day following the exam. **If no contact is made then your exam grade automatically is "F" (zero).** If you make contact as specified above and I determine the reason for missing the exam is deemed valid, then the weight of the missed exam will be added to that of the final exam.

- You may bring one 3” x 5” index card to each one of the exams 1, 2, and 3. For the final exam, you may bring an A4 size paper, but with writing only on the front side. The rules for the index card are as follows (all of the following rules also apply for the final exam except the size and front-and-back rules):
  - It must be a 3” x 5” index card! (Let me know if you need one.)
  - Hand-written (front and back), no photo copy.
  - Write your name on the top of one side of the card
  - Turn in the card with the exam. It will be returned to you with the exam.
  - Not following the above rules will result in a 3-point penalty on the given exam.
Other Issues

(1) Grade appeal: To appeal your grade, write the justification for your appeal and submit your written argument and exam within 3 class days of the general return of the exam. Appeals filed tardy, such as after the end of the semester, will not be considered. Your grades on assessments prior to the final should be discussed before you take the final. After the final exam, the only issue on the table for discussion is the final exam itself.

(2) Attendance policy: I expect you to attend class regularly. I may take attendance on random basis.

(3) Email policy: I will respond only to emails sent through student email accounts (i.e. cofc accounts). Email received after 3 p.m. will not be replied to until the next day.

(4) It is your responsibility to check with your fellow students or me on any announcement made in class if you miss the class.

(5) Please turn off all electronic devices when class/exam is in session including pc, cell phone, ipod, or any communication devices. If you have any special need which requires using electronic devises during class/quiz/exam, come see me.

(6) I strongly recommend you bring a calculator to class. No specific type of calculator is required, but a financial calculator is preferred.

(7) If there is a student in this class who has a documented disability and has been approved to receive accommodations through the Center for Disability Services/SNAP (Students Needing Access Parity), please come and discuss this with me during my office hours.

Important Dates

(1) Exam 1: Monday, September 21st
   Exam 2: Monday, October 26th
   Exam 3: Tuesday, November 18th
   Comprehensive Final:
      (i) Section 1: Friday, December 11th (12:00 p.m. to 3:00 p.m.)
      (ii) Section 2: Monday, December 14th (12:00 p.m. to 3:00 p.m.)

(2) Last day to Drop/Add: Monday, August 31st
(3) Last day to withdraw with a “W”: Tuesday, October 6th
(4) Fall Break: Monday, October 12th and Tuesday, October 13th
(5) Thanksgiving Holiday: November 25th, 26th, and 27th
(6) Last day of class: Monday, December 7th
College of Charleston Honor Code and Academic Integrity

Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved.

Incidents where the instructor determines the student’s actions are related more to a misunderstanding will handled by the instructor. A written intervention designed to help prevent the student from repeating the error will be given to the student. The intervention, submitted by form and signed by both the instructor and the student, will be forwarded to the Dean of Students and placed in the student’s file.

Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Students. A student found responsible by the Honor Board for academic dishonesty will receive a XF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student’s transcript for two years after which the student may petition for the X to be expunged. The student may also be placed on disciplinary probation, suspended (temporary removal) or expelled (permanent removal) from the College by the Honor Board.

Students should be aware that unauthorized collaboration—working together without permission— is a form of cheating. Unless the instructor specifies that students can work together on an assignment, quiz and/or test, no collaboration during the completion of the assignment is permitted. Other forms of cheating include possessing or using an unauthorized study aid (which could include accessing information stored on a cell phone), copying from others’ exams, fabricating data, and giving unauthorized assistance.

Research conducted and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the instructor.

Students can find the complete Honor Code and all related processes in the Student Handbook at http://www.cofc.edu/generaldocuments/handbook.pdf
Hi Jocelyn:

The Marketing and Supply Chain Management department is aware of the proposed change to FINC 382 and supports this proposal.

Thanks,
Julie

julia e. blose, chair
department of marketing and supply chain management
school of business
college of charleston
charleston, sc
(843) 953-5481
blosej@cofc.edu

Jocelyn,

We need a letter or note or e-mail from Julia stating that Marketing and Supply Chain Management is aware of the proposed change to FINC 382, as outlined on the attached “Proposal to Change a Course” form. This course is required for their International Business major.

Thanks,
Justin
Proposal to Change a Course

NOTE: All gray text boxes must be completed (even if you just put N/A into them), otherwise the committee must consider the form incomplete.

Contact person Justin D. Benefield Email address benefieldj@cofc.edu Phone 953-1992

1. Department: Economics and Finance

2. Course Number and Title: FINC 385 - Principles of Risk Management and Insurance

3. Semester and year when the course change(s) will go into effect: Fall 2012

4. Change(s) Desired (Note: if more than 2 items listed under “Typical changes handled by this form” in Guidelines for Planning to Change a Course, then a New Course form must be completed):

   Change course title to:
   Individual Risk Management and Insurance

   Change course description to:
   This course creates an awareness of individual risk and the importance of insurance and related products as risk management techniques. Course content focuses primarily on life and health insurance, with a lesser focus on retirement and estate planning. Students develop an understanding of the basic characteristics of risk management tools and strategies, as well as practical competencies in application.

5. Justification for Change(s):

   Existing course description was too broad to ensure adequate coverage of necessary material. Material removed from this course is now included in FINC 386 (please see Course Change Form for FINC 386).

6. Is this course to be added to the Degree Requirements of a Major, Minor, Concentration or List of Approved Electives?
   a) ☒ yes  ☐ no

   b) If yes, complete the Change Degree Requirements form(s) and list the name(s) of the major, minor, concentration and/or list of approved electives here:

      Approved elective for new major in finance.

7. Is the course part of any other degree or program? Please consult the most up to date undergraduate catalog and search for uses of the course to see who should be contacted. If yes, what department/program? Please contact the department chair/program director and request a note or email that they are aware of the proposed change and include that note with the proposal.

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p. 1
Proposal to Change a Course

Yes, the Actuarial Studies track within the math major, the Pre-Actuarial Studies minor for math majors, and the Pre-Actuarial Studies minor for business majors, all housed in the Math Department. An acknowledgement letter is attached to this form.
Proposal to Change a Course

8. Signature of Department Chair or Program Director:

Date: 4/14/11

9. Signature of Dean of School:

Date: 4/14/11

10. Signature of Curriculum Committee Chair:

Date:

11. Signature of Faculty Senate Secretary:

Date Approved by Senate:

Completed form should be sent by the Faculty Senate Secretary to the Registrar. After implementation, information concerning the passed course and program changes will be provided by the Registrar to all faculty and staff on campus.

This form was approved by FCC on 8/17/2010 and replaces all others.
FACULTY CURRICULUM COMMITTEE ADDENDUM to FCC OLD FORMS

Contact Name: Justin D. Benefield    Email: benefieldj@cofc.edu    Phone:  3-1992

Department or Program Name: Economics and Finance    School name: School of Business

☐ New or ☑ Changed    COURSE -- Prefix, Number, and Title: FINC 385 – Individual Risk Management and Insurance

☐ New or ☐ Changed    MINOR -- Name and Acronym of Minor:

☐ New or ☐ Changed    PROGRAM -- Name and Acronym of Major:

STUDENT LEARNING OUTCOMES and ASSESSMENT

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</tr>
<tr>
<td>1. Students will understand the history and development of the risk management industry as typically encountered by the individual, with a particular emphasis on life and health insurance and property casualty insurance.</td>
<td>Will be assessed via exams and in-class quizzes. All students in the class will be assessed on the scheduled exam dates, which happen three times per semester, and on the dates of any in-class quiz administrations. The student should be able to earn a passing average across these assessments.</td>
</tr>
<tr>
<td>2. Students will understand the operation and management of a life and health insurance company, including the pricing of applicable policies given the appropriate actuarial data.</td>
<td>Will be assessed via exams and in-class quizzes. All students in the class will be assessed on the scheduled exam dates, which happen three times per semester, and on the dates of any in-class quiz administrations. The student should be able to earn a passing average across these assessments.</td>
</tr>
<tr>
<td>3. Students will understand the operation and management of a multi-line property casualty insurance company, including the pricing of applicable policies given the appropriate actuarial data.</td>
<td>Will be assessed via exams and in-class quizzes. All students in the class will be assessed on the scheduled exam dates, which happen three times per semester, and on the dates of any in-class quiz administrations. The student should be able to earn a passing average across these assessments.</td>
</tr>
<tr>
<td>4. Students will understand the use of various types of insurance by individuals to mitigate potential accidental losses.</td>
<td>Will be assessed via exams and in-class quizzes. All students in the class will be assessed on the scheduled exam dates, which happen three times per semester, and on the dates of any in-class quiz administrations. The student should be able to earn a passing average across these assessments.</td>
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If a course/minor, how does it align with the student learning outcomes articulated for the major, program, or general education? What program-level outcome or outcomes does it support? Is the content or skill introduced, reinforced, or demonstrated in this course?

The course contributes to the development of quantitative fluency, global civic responsibility, and intellectual innovation and creativity, which are three of the proposed over-arching student learning outcomes for the finance major. The mission of the finance program is to provide students with the intellectual and analytical tools necessary to function in the dynamic, global economy and related financial markets; a thorough understanding of insurance products used to eliminate or minimize risks faced by individuals, as well as the pricing of those products and the operation of companies selling those products, is very helpful in achieving that end. Some content, such as pricing of life/health/property casualty policies, will be introduced. Some content, such as basic time value of money relationships, will be reinforced. All problem-oriented content covered will be demonstrated.
Individual Risk Management and Insurance  
FINC 385- Section 1  
Fall 2011

Instructor:  TBD  
Office:  555 Beatty Center  
Phone:  953.5555  
Email:  Instructor@cofc.edu

Office Hours:  TR 10:00 – 12:00  
W 2:00 – 3:00  
And by appointment


Prerequisites:  Junior standing, ACCT 203, 204, DSCI 232, FINC 303, ECON 201, 202, MATH 104 or 250.

Course Description: This course is designed to create an understanding on the individual level of the nature of risk, risk management concepts, and the theory and practice of insurance. The course will investigate the insurance industry from both an economic and regulatory perspective. Areas of focus include property and liability insurance contracts, including homeowner’s and auto insurance, and individual life and health insurance.

Course Objectives:  
- Student will learn the principles and terminology of insurance and risk management.  
- Students will develop an understanding of how individuals use the risk management process to control or finance their exposure to accidental loss.  
- Students will be capable of conveying the principles and practical applications of widely used types of insurance, including homeowners, automobile and life insurance.  
- Students will obtain knowledge of how individuals use life and health insurance form to manage short and long-term risk.  
- Students will be exposed to insurance as an institution, with attention given to the various operational aspects.

SB Objectives:  Consistent with the goals of the School of Business, this course includes instruction in:  
- Problem Solving Ability: The course requires extensive aptitude in comprehending and implementing strategies to solve practical quantitative problems in the areas of risk and insurance. Annuities due, rather than ordinary annuities encountered in other FINC classes, are covered in detail.
- *Effective Communications:* Students will interact amongst their peers and with the instructor in both written and verbal form.

- *Ethical Awareness:* The course requires students understand the ethical responsibilities surrounding the risk and insurance business, particularly the ethical responsibilities of selling life insurance to clients and buying life insurance from clients (i.e. viaticals).

- *Global Awareness:* The course requires an understanding of international implications relative to all risk and insurance issues. In particular, reinsurance, a method of spreading risk used by property-casualty insurance companies, is almost always undertaken with an insurance company outside one’s home country.

**Course Policy:** Learning in this course is derived primarily from class discussion, homework assignments, and examinations. Students will benefit most from class if they have read the assigned material and completed the assigned homework problems.

Unless you have a physician’s excuse in writing, make-up tests will not be allowed and a zero will be given for the missed work.

The Academic Integrity and Honesty policies of the CoC will be fully and strictly enforced, as well as all other applicable University rules and procedures. Students with documented disabilities who may need academic accommodations should discuss these with me during the first two weeks of class.

**Grading:** There will be two mid-term tests (100 pts each) and a non-comprehensive final examination (100 pts) over the course of the semester. All exams will consist of problems, short answer questions, and multiple choice questions. Each exam will be 25% percentage of your final grade. In addition, the remaining 25% of the grade will be based upon in-class quizzes, attendance, participation in class, and general classroom behavior.

Letter Grades will be assigned as follows:

- A = 93% - 100%
- A- = 90% - 92%
- B+ = 88% - 89%
- B = 83% - 87%
- B- = 80% - 82%
- C+ = 78% - 79%
- C = 73% - 77%
- C- = 70% - 72%
- D+ = 68% - 69%
- D = 63% - 67%
- D- = 60% - 62%
- F = below 60%
Tentative Class Schedule:

First Test Material
Basic Concepts in Risk Management and Insurance
  Chapter 1. Risk in Our Society
  Chapter 2. Insurance and Risk
  Chapter 3. Introduction to Risk Management
  Chapter 4. Advanced Topics in Risk Management
The Private Insurance Industry
  Chapter 5. Types of Insurers and Marketing Systems
  Chapter 6. Insurance Company Operations
  Chapter 7. Financial Operations of Insurers
  Chapter 8. Government Regulation of Insurance

Second Test Material
Legal Principles in Risk and Insurance
  Chapter 9. Fundamental Legal Principles
  Chapter 10. Analysis of Insurance Contracts
Life and Health Risks
  Chapter 11. Life Insurance
  Chapter 12. Life Insurance Contractual Provisions
  Chapter 13. Buying Life Insurance
  Chapter 14. Annuities and Individual Retirement Accounts
  Chapter 15. Individual Health Insurance Coverages

Third Test Material
Personal Property and Liability Risks
  Chapter 19. The Liability Risk
  Chapter 20. Homeowners Insurance, Section I
  Chapter 21. Homeowners Insurance, Section II
  Chapter 22. Auto Insurance
  Chapter 23. Auto Insurance and Society
  Chapter 24. Other Property and Liability Insurance Coverages
From: Mignone, Robert J  
Sent: Wednesday, February 09, 2011 9:43 AM  
To: Evans, Jocelyn D  
Subject: Re: Letter/Note/E-mail from Bob Mignone

Dear Dr. Benefield,

The Department of Mathematics supports the proposed changes to FINC 385 Principles of Risk Management and Insurance and will keep it as a required course in our Actuarial Track within the Bachelor of Science in Mathematics.

Sincerely yours,

Robert Mignone, Chair  
Department of Mathematics  
On Feb 8, 2011, at 6:37 PM, Evans, Jocelyn D wrote:

Will you e-mail me your approval?

From: Benefield, Justin D  
Sent: Tuesday, February 08, 2011 6:36 PM  
To: Evans, Jocelyn D  
Subject: Letter/Note/E-mail from Bob Mignone

Jocelyn,

We need a letter or note or e-mail from Bob Mignone in the Math Department stating that they are aware of the proposed change to FINC 385, as outlined on the attached “Proposal to Change a Course” form. This course is required for their Actuarial Studies track within the math major, as well as their Pre-Actuarial Studies minors for math majors and business majors.

Thanks,  
Justin

<Form - Change Course FINC 385.doc>
Proposal to Change a Course

NOTE: All gray text boxes must be completed (even if you just put N/A into them), otherwise the committee must consider the form incomplete.

Contact person Justin D. Benefield Email address benefieldj@cofc.edu Phone 953-1992

1. Department: Economics and Finance

2. Course Number and Title: FINC 386 - Risk Management

3. Semester and year when the course change(s) will go into effect: Fall 2012

4. Change(s) Desired (Note: if more than 2 items listed under "Typical changes handled by this form" in Guidelines for Planning to Change a Course, then a New Course form must be completed):

   Change course title to:
   Corporate Risk Management and Insurance

   Change course description to:
   This course introduces the student to corporate uses of insurance and related products for the purpose of risk management. Course content focuses primarily on product and liability insurance, with time also devoted to employee life insurance for the firm, worker's compensation policies, and employee benefits. Coverage of risk management using financial derivatives is limited.

5. Justification for Change(s):

   Existing course description was exceedingly vague. The new description complements the new description for FINC 385 (please see Course Change Form for FINC 385) and minimizes overlap, which was a problem given the existing descriptions for these two courses.

6. Is this course to be added to the Degree Requirements of a Major, Minor, Concentration or List of Approved Electives?
   a) [ ] yes   [ ] no

   b) If yes, complete the Change Degree Requirements form(s) and list the name(s) of the major, minor, concentration and/or list of approved electives here:
      Approved elective for new major in finance.

7. Is the course part of any other degree or program? Please consult the most up to date undergraduate catalog and search for uses of the course to see who should be contacted. If yes, what department/program? Please contact the department chair/program director and request a note or email that they are aware of the proposed change and include that note with the proposal.
   N/A.

This form was approved by FCC on 8/17/2010 and replaces all others.
Proposal to Change a Course

8. Signature of Department Chair or Program Director:

[Signature]

Date: 4/14/11

9. Signature of Dean of School:

[Signature]

Date: 4/14/11

10. Signature of Curriculum Committee Chair:

[Signature]

Date: ____________________

11. Signature of Faculty Senate Secretary:

[Signature]

Date Approved by Senate: ____________________

Completed form should be sent by the Faculty Senate Secretary to the Registrar. After implementation, information concerning the passed course and program changes will be provided by the Registrar to all faculty and staff on campus.
Contact Name: Justin D. Benefield  Email: benefieldj@cofc.edu  Phone: 3-1992
Department or Program Name: Economics and Finance  School name: School of Business

- New or [ ] Changed  COURSE -- Prefix, Number, and Title: FINC 386 -- Corporate Risk Management and Insurance
- New or [ ] Changed  MINOR -- Name and Acronym of Minor:
- New or [ ] Changed  PROGRAM -- Name and Acronym of Major:

**STUDENT LEARNING OUTCOMES and ASSESSMENT**

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<td>What will students know and be able to do when they complete the course/minor/program?</td>
<td>How will each outcome be measured? Who will be assessed, when, and how often? How well should students be able to do on the assessment?</td>
</tr>
<tr>
<td>1. Students will understand the history and development of the risk management industry as typically encountered by corporations, with a particular emphasis on property casualty insurance, small business policies, and employee benefits.</td>
<td>Will be assessed via exams and in-class quizzes. All students in the class will be assessed on the scheduled exam dates, which happen three times per semester, and on the dates of any in-class quiz administrations. The student should be able to earn a passing average across these assessments.</td>
</tr>
<tr>
<td>2. Students will understand the operation and management of multi-line property casualty insurance companies that primarily serve corporate clients, including the pricing of applicable policies given the appropriate actuarial data.</td>
<td>Will be assessed via exams and in-class quizzes. All students in the class will be assessed on the scheduled exam dates, which happen three times per semester, and on the dates of any in-class quiz administrations. The student should be able to earn a passing average across these assessments.</td>
</tr>
<tr>
<td>3. Students will understand the operation and management of insurance companies that focus on less traditional corporate policies, such as loss of income policies, business owner policies, key personnel policies, crime policies, and surety bonds. This includes the pricing of applicable policies given the</td>
<td>Will be assessed via exams and in-class quizzes. All students in the class will be assessed on the scheduled exam dates, which happen three times per semester, and on the dates of any in-class quiz administrations. The student should be able to earn a passing average across these</td>
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<tr>
<td>appropriate actuarial data.</td>
<td>assessments.</td>
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<tr>
<td>4. Students will understand the insurance portions of various employee benefit programs, including group life insurance, group health insurance, retirement plan offerings, and worker's compensation. This includes the pricing of applicable policies given the appropriate actuarial data.</td>
<td>Will be assessed via exams and in-class quizzes. All students in the class will be assessed on the scheduled exam dates, which happen three times per semester, and on the dates of any in-class quiz administrations. The student should be able to earn a passing average across these assessments.</td>
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</tbody>
</table>

If a course/minor, how does it align with the student learning outcomes articulated for the major, program, or general education? What program-level outcome or outcomes does it support? Is the content or skill introduced, reinforced, or demonstrated in this course? The course contributes to the development of quantitative fluency, global civic responsibility, and intellectual innovation and creativity, which are three of the proposed over-arching student learning outcomes for the finance major. The mission of the finance program is to provide students with the intellectual and analytical tools necessary to function in the dynamic, global economy and related financial markets; a thorough understanding of insurance products used to eliminate or minimize certain risks faced by corporations, as well as the pricing of those products and the operation of companies selling those products, is very helpful in achieving that end. Some content, such as pricing of specific policy types, will be introduced. Some content, such as basic time value of money relationships, will be reinforced. All problem-oriented content covered will be demonstrated.
Business Risk Management and Insurance  
FINC 386- Section 1  
Fall 2011

Instructor: TBD  
Office: 555 Beatty Center  
Phone: 953.5555  
Email: Instructor@cofc.edu

Office Hours: TR 10:00 – 12:00  
W 2:00 – 3:00  
And by appointment


Prerequisites: Junior standing, ACCT 203, 204, DSCI 232, FINC 303, ECON 201, 202, MATH 104 or 250.

Course Description: This course is designed to create an understanding of how businesses identify and manage risk, focusing the applications of commercial property and liability insurance. Covered topics will also include employee insurance, worker’s compensation, and employee benefits.

Course Objectives:
- Students will learn the principles and terminology of insurance and risk management.
- Students will understand the risk management process and how to control their exposure to accidental loss.
- Students will have the ability to illustrate the principles and practical applications of widely used types of commercial insurance.
- Students will gain an appreciation of how employers manage risk as it relates to their employees.
- Students will learn to examine insurance as an institution, with attention given to the various operational aspects.

SB Objectives: Consistent with the goals of the School of Business, this course includes instruction in:
- Problem Solving Ability: The course requires extensive aptitude in comprehending and implementing strategies to solve practical quantitative problems in the areas of business risk and insurance. For example, estimation of income from on-going business operations requires
evaluation of ordinary annuities, while insurance policies that might be used to replace portions of that income require evaluation using annuity due methods.

- **Effective Communications**: Students will interact amongst their peers and with the instructor in both written and verbal form.
- **Ethical Awareness**: The course requires students understand the ethical responsibilities surrounding the risk and insurance business, particularly the ethical responsibilities of dealing with clients and employees. This could include the ethical implications involved in a firm purchasing group life insurance covering line employees with itself as the beneficiary, or the ethical implications of using money from an employee benefit fund to cover operating costs during an economic downturn.

- **Global Awareness**: The course requires an understanding of international implications relative to all risk and insurance issues. For example, in this increasingly global marketplace, product liability issues take on more importance, and much more complexity, when the laws of myriad nations must be satisfied.

**Course Policy:** Learning in this course is derived primarily from class discussion, homework assignments, and examinations. Students will benefit most from class if they have read the assigned material and completed the assigned homework problems.

Unless you have a physician’s excuse in writing, make-up tests will not be allowed and a zero will be given for the missed work.

The Academic Integrity and Honesty policies of the CofC will be fully and strictly enforced, as well as all other applicable University rules and procedures. Students with documented disabilities who may need academic accommodations should discuss these with me during the first two weeks of class.

**Grading:** There will be two mid-term tests (100 pts each) and a non-comprehensive final examination (100 pts) over the course of the semester. All exams will consist of problems, short answer questions, and multiple choice questions. Each exam will be 25% percentage of your final grade. In addition, the remaining 25% of the grade will be based upon in-class quizzes, attendance, participation in class, and general classroom behavior.

**Letter Grades will be assigned as follows:**

- **A** = 93% - 100%
- **A-** = 90% - 92%
- **B+** = 88% - 89%
- **B** = 83% - 87%
- **B-** = 80% - 82%
- **C+** = 78% - 79%
- **C** = 73% - 77%
- **C-** = 70% - 72%
D+ = 68% - 69%
D  = 63% - 67%
D- = 60% - 62%
F  = below 60%
Tentative Class Schedule:

*First Test Material*
- Commercial Property Risk Management (FT, Chp. 2)
- Commercial Property Insurance (FT, Chp. 2; G, Chp. 25)
- Commercial Liability Insurance (FT, Chp. 2, G, Chp. 26)
- Building and Personal Property Coverage (FT, Chp. 3)
- Business and Personal Property Coverage Options (FT, Chp. 5)

*Second Test Material*
- Covered Causes of Loss (FT, Chp. 4)
- Business Income Exposure (FT, Chp. 8)
- Business Income and Expense Insurance (FT, Chp. 9)
- Business Owner’s Insurance (FT, Chp. 13)

*Third Test Material*
- Employee Benefits: Group Life and Health Insurance (G, Chp. 16)
- Employee Benefits: Retirement Plans (G, Chp. 17)
- Social Insurance (G, Chp 18)
- Crime Insurance and Surety Bonds (G., Chp. 27)
- Worker’s Compensation
Proposal to Change a Course

NOTE: All gray text boxes must be completed (even if you just put N/A into them), otherwise the committee must consider the form incomplete.

Contact person Justin D. Benefield Email address benefieldj@cofc.edu Phone 953-1992

1. Department: Economics and Finance

2. Course Number and Title: FINC 410 - Seminar in Finance

3. Semester and year when the course change(s) will go into effect: Fall 2012

4. Change(s) Desired (Note: if more than 2 items listed under “Typical changes handled by this form” in Guidelines for Planning to Change a Course, then a New Course form must be completed):

   Change course description to:
   A seminar on particular problems or issues facing the finance industry. Topics will vary.

5. Justification for Change(s):

   Existing course description made this course sound like an Advanced Corporate Finance course, which is a new course being proposed as part of the new finance major (please see New Course Form for FINC 415). The new description makes it clear that this is a seminar course with topical coverage at the discretion of the instructor.

6. Is this course to be added to the Degree Requirements of a Major, Minor, Concentration or List of Approved Electives?
   a) ☒ yes ☐ no

   b) If yes, complete the Change Degree Requirements form(s) and list the name(s) of the major, minor, concentration and/or list of approved electives here:
      Approved elective for new major in finance.

7. Is the course part of any other degree or program? Please consult the most up to date undergraduate catalog and search for uses of the course to see who should be contacted. If yes, what department/program? Please contact the department chair/program director and request a note or email that they are aware of the proposed change and include that note with the proposal.
   N/A.

This form was approved by FCC on 8/17/2010 and replaces all others.
Proposal to Change a Course

8. Signature of Department Chair or Program Director:

Date: 4/14/11

9. Signature of Dean of School:

Date: 4/11/11

10. Signature of Curriculum Committee Chair:

Date: __________________________

11. Signature of Faculty Senate Secretary:

Date Approved by Senate: __________________________

Completed form should be sent by the Faculty Senate Secretary to the Registrar. After implementation, information concerning the passed course and program changes will be provided by the Registrar to all faculty and staff on campus.
**FACULTY CURRICULUM COMMITTEE ADDENDUM to FCC OLD FORMS**

Contact Name: Justin D. Benefield  
Email: benefieldj@cofc.edu  
Phone: 3-1992

Department or Program Name: Economics and Finance  
School name: School of Business

☐ New or ☒ Changed  
COURSE -- Prefix, Number, and Title: FINC 410 – Seminar in Finance

☐ New or ☐ Changed  
MINOR -- Name and Acronym of Minor:

☐ New or ☐ Changed  
PROGRAM -- Name and Acronym of Major:

**STUDENT LEARNING OUTCOMES and ASSESSMENT**

<table>
<thead>
<tr>
<th>Student Learning Outcomes</th>
<th>Assessment Method and Performance Expected</th>
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<tbody>
<tr>
<td>What will students know and be able to do when they complete the course/minor/program?</td>
<td>How will each outcome be measured? Who will be assessed, when, and how often? How well should students be able to do on the assessment?</td>
</tr>
</tbody>
</table>

1. Topical coverage for this course will be at the discretion of the instructor; therefore, it is difficult to say what the student will know or be able to do after taking the course.  

Since this is a seminar course, one would assume that reading assignments and related classroom discussions are likely. One would also assume that a term paper is likely, as are two or more exams. All students in the class will be assessed according to the syllabus at the appropriate times. The student should be able to earn a passing average across these assessments.

2.  

3.  

4.  

If a course/minor, how does it align with the student learning outcomes articulated for the major, program, or general education? What program-level outcome or outcomes does it support? Is the content or skill introduced, reinforced, or demonstrated in this course? The course could contribute to any or all of the proposed over-arching student learning outcomes for the finance major. The mission of the finance program is to provide students...
with the intellectual and analytical tools necessary to function in the dynamic, global economy and related financial markets. Any number of topics might lend themselves to achieving that goal, with the attached syllabus serving simply as one purely hypothetical example. One would assume there would be some new content introduced; otherwise, there would be little need for coverage in a seminar course. Some content, such as basic time value of money relationships, is fairly common to all finance courses and would be reinforced. All problem-oriented content covered will be demonstrated.
Professor: Justin D. Benefield, Ph.D.

Meeting Times: XXX

Office Hours: Wednesdays from 12:00 – 3:00, Thursdays from 4:20 to 6:00
Other times by appointment
413 Beatty Center
843-953-1992 (Office)
843-819-7676 (Home)
E-mail: benefieldj@cofc.edu

Course Description:
The College of Charleston Undergraduate Course Catalog describes this course as “(a) seminar on particular problems or issues facing the finance industry. Topics will vary.” The topic of interest this semester will be the near breakdown of the American financial system. Tracing the timeline of events that ultimately led to the collapse of several venerable financial institutions, and to the last-minute rescue of several others, the course focuses on the policy changes and the resulting ethical and operating decisions at major industry players that led to the subprime mortgage fiasco, which then infected the rest of the financial system. Comparison of alternative pricing techniques for subprime mortgages and alternative pricing techniques for the exotic mortgage-backed securities developed using these mortgages also allows for conclusions to be drawn about how best to avoid similar scenarios in the future. The nature of the material also demands a thorough understanding of the related nature of global financial markets and global financial institutions.

Course Learning Objectives:
At the conclusion of the semester, students will understand the factors that influenced the near breakdown of the American financial system. They will also understand the inter-related nature of global financial markets and institutions in today’s marketplace. Finally, students will be able to properly value individual mortgages and the derivative securities formed by using them. Students will demonstrate their competency of these topics via in-class examinations that ask them to address contemporaneous problems. In addition, students will be assessed by their completion of a term paper that will require them to undertake independent examination of a related topic of their choosing.

Relationship to School of Business and Economics Learning Goals:
Effective Communications – The course requires a 12 – 15 page term paper, described below, which is graded quite stringently for composition as well as content.

Global Awareness – The secondary mortgage market securities discussed in the course are some of the most actively traded securities in the world. A thorough understanding of these financial instruments requires an understanding of the currency risk inherent in trading in something other than one’s home currency. In addition, the interactions of global financial markets and firms will be explored as one mechanism through which a primarily American issue became a global one very quickly.

Problem Solving Ability – The course requires intensive calculations. As such, problem solving ability is honed extensively.
Ethical Awareness – The decisions faced at times along the path to turmoil were often ethical in nature, as well as financial. The ethical dimensions of such choices as whether or not to pursue housing for an increased percentage of the population are explored.

Course Prerequisites:
According to the College of Charleston Undergraduate Course Catalog, the prerequisites for this course include junior standing and successful completion of ACCT 203, ACCT 204, ECON 201, ECON 202, FINC 303, MATH 104 or MATH 250, or permission of the instructor.

Text:
There is no required text for this course. Readings will be assigned for each topic covered.

Calculator:
This class requires extensive use of a financial calculator. In class, I use the Texas Instruments BA II Plus Financial Analyst to work problems. You may use any financial calculator you wish, but I will support the TI BA II Plus in class.

Additional Resources:
1. I will sometimes make important course materials available to you on the internet via WebCT or the library’s electronic reserves (usually both). Examples of such materials would include the course syllabus, copies of notes that I use in class, and assigned readings (when available). Please check both websites regularly for the most recent additions.
2. The Center for Student Learning at the Addlestone Library (843-953-5635) offers a wide variety of assistance to students. Even though REAL 410 is not a course normally covered by their regular tutors, you can still get tutoring assistance for this class by making a request online at www.cofc.edu/~csl. They also offer numerous study skills seminars on such topics as time management, note taking, and test taking. Finally, if you are thinking about graduate school, they offer several study groups for various graduate school entrance exams.
3. The School of Business and Economics Career Services Office (843-953-4966) on the first floor of the Beatty Center offers help with resumés, cover letters, and interviewing skills. They are also your source for information about internship opportunities and upcoming career fairs, on-campus recruiting, and organization meetings. Whether you are planning to enter the workforce or go on to graduate school right away, the help available in the Career Services Office can be invaluable to you.

Grading:
Four exams will be given. The three midterm exams each account for 17.5% of your final grade. The final is non-comprehensive and will also account for 17.5% of your final grade. Exams are a mixture of short answer, problem solving, and essay. A paper related to the material we cover will be due XXX and will make up 15% of your grade (see the Paper section below for further detail). Finally, homework will be assigned periodically. Some will be collected; some will not. The homework is primarily geared toward increasing your proficiency with Microsoft Excel. The assignments that are collected will determine the remaining 15% of your grade.

The dates of the exams are as follows:

<table>
<thead>
<tr>
<th>Exam</th>
<th>Date</th>
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<tbody>
<tr>
<td>Midterm 1</td>
<td>XXX</td>
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<tr>
<td>Midterm 2</td>
<td>XXX</td>
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<tr>
<td>Midterm 3</td>
<td>XXX</td>
</tr>
<tr>
<td>Final Exam</td>
<td>XXX</td>
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</table>
Paper:
The paper can be on any topic of your choosing that is related to the material we cover in this class. Prior to beginning work on the paper, you should discuss your topic with me. The paper has two parts. First, on XXX, a summary of your topic is due. This summary will account for 15% of your grade on the paper. Make sure you check to see if there is information available related to your chosen topic, because there will be no topic-switching allowed after the summary has been turned in. The databases in the library contain a wealth of information from a wide variety of sources – use them.

The second part of the paper, due XXX, is the paper itself, which should be 12 – 15 pages long, excluding the title page, the above-mentioned summary, any graphs or charts, and any references. The references can be done in any format with which you are comfortable (APA, MLA, etc), but I do expect to see appropriate citations throughout. Plagiarism is a form of academic misconduct, as is having someone else write your paper for you; neither of these activities will be tolerated (please see the section on the Academic Honor Code). If you are unsure whether what you are doing constitutes plagiarism, talk to me. A late penalty of 5 points per day (including weekends) will be assessed for papers turned in after the due date.

Make-Up Policy:
Exams are given in class, so time conflicts should not occur. If extenuating circumstances cause you to miss an exam, then you must contact the professor or the Department of Economics and Finance secretarial staff (843-953-8100) by 4:30 p.m. the day following the exam, including weekends. If no contact is made, then your exam grade is a zero and cannot be made up. If you make contact, and the extenuating circumstances you describe are deemed valid, then you will be allowed to take a comprehensive make-up during the regularly scheduled final exam time that will count as both the missed exam and the final exam. If you miss the final, and make contact as required above, then you will be allowed to take a comprehensive make-up at a time to be determined, assuming a valid excuse is present.

Other Policies:
1. Attendance at regular class meetings is strongly encouraged, but is not required. However, please bear in mind that attendance has been shown to correlate strongly with performance on assignments.
2. If you must come in late or leave early, please do so quickly and quietly.
3. To appeal your grade on an exam, write down the reason you feel you deserve more points on a particular question and turn in your reason, along with the exam, to the professor within one calendar week of the exam being returned to you. Appeals made after the one-week deadline (e.g. at the end of the semester) will not be considered.
4. Cell phones, pagers, and digital music equipment are to be turned off and put away before class, especially during exams. It is disruptive to the professor and to the rest of the class to have a phone suddenly ring.
5. On exams, you may not use a graphing calculator of any variety. In addition, you may not use a cell phone or a PDA as a calculator on exams.
6. I do not send out grades of any variety via e-mail, so do not ask me to send you your score on a test or your final grade in the class. I cannot.
7. The last day to normally drop this course is the close of business on XXX. Any student withdrawing by this date will receive a “W” on the transcript. To drop the course before this date, you may either use Cougar Trail or submit the required paperwork to the Registrar’s Office in 281 Lightsey Center (843-953-5668). After 4:30 p.m., XXX, students normally are not permitted to drop a course. Students with extenuating circumstances may present a written petition to drop this course to the Director of Undergraduate Academic Services in 206...
Randolph Hall (843-953-5674). Petitions to the Director must be accompanied by significant supporting documents to verify the circumstances cited in the petition. Students must be aware that claims cited in the petition will be verified BEFORE completion of the drop is permitted. Generally, the drop will only be granted if continuing in the course would be detrimental to the student’s health or if the extenuating circumstances prevent the student’s continued enrollment. Poor academic performance is not sufficient justification to drop any course and the professor must approve the drop.

Other Important Dates:
XXX Last day of drop/add
XXX No class – Fall Break
XXX No class – Work on papers
XXX No class – Thanksgiving
XXX Last day of classes
XXX Graduation!

Academic Honor Code Statement:
Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved.

Incidents where the professor determines the student’s actions are clearly related more to a misunderstanding will be handled by the professor. A written explanation designed to help prevent the student from repeating the error in the future will be given to the student by his or her professor. The explanation, submitted by form and signed by both the professor and the student will be forwarded to the Dean of Students and placed in the student’s file.

Cases of suspected academic dishonesty will be reported directly by the professor and/or others having knowledge of the incident to the Dean of Students. A student found responsible by the Honor Board for academic dishonesty will receive a XF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student’s transcript for two years, after which the student may petition for the X to be expunged. The student may also be placed on disciplinary probation, suspended (temporary removal), or expelled (permanent removal) from the College by the Honor Board.

Students should be aware that unauthorized collaboration – working together without permission – is a form of cheating. Unless the professor specifies that students can work together on an assignment and/or test, no collaboration is permitted. Other forms of cheating included possessing or using an unauthorized study aid (such as a PDA), copying from others’ exams, fabricating data, and giving unauthorized assistance.

Research conducted and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the professor.

Students can find the complete Honor Code and all related processes in the Student Handbook at http://www.cofc.edu/studentaffairs/general_info/studenthandbook.html.

Equal Education Opportunity:
The College of Charleston abides by Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act that stipulates no students shall be denied access to an education “solely by reason of a handicap.” Disabilities covered by law include, but are not limited to, learning disabilities
and hearing, sight, or mobility impairments. Students with disabilities are encouraged to register with the Center for Disability Services, located in Suite 104 of the Lightsey Center (843-953-1431). Thereafter, students are invited to schedule an appointment to see me to discuss accommodations and other special needs.

The College of Charleston and this professor are committed to equal opportunity in education and do not discriminate on the basis of race, color, religion, national origin, sex, age, or against qualified handicapped persons, disabled veterans, or veterans of the Vietnam era, as identified and defined by law.
Proposal for a New Course

NOTE: (1) All gray text boxes must be completed (even if you just put N/A into them), otherwise the committee must consider the form incomplete.
NOTE: (2) If the new course is to be accepted as fulfilling General Education requirements, a separate approval must be done through the General Education Committee.

Contact person Justin D. Benefield  Email address benefieldj@cofc.edu Phone 953-1992

1. Department: Economics and Finance

2. Course number and title: FINC 389 - Financial Management Information Systems  
   Number of Credits: 3  Total hrs/week: 2.5
   Lecture: ☒ Lab: ☐ Recitation: ☐ Seminar: ☐
   For Independent study courses:
      Research: ☐ Field experience: ☐
      Clinical Practice: ☐ Internship: ☐
      Practicum: ☐ Independent Course Work: ☐

3. Semester and year when course will first be offered:  
   Fall 2012

4. Catalog Description (please limit to 50 words):
   Introduction to the components of, and design techniques for, computerized management information systems and decision support systems, with a particular emphasis on financial decision making. Financial applications of emerging information technologies and ethical implications of increasing reliance on information technology in finance will also be addressed.

5. CIP Code: 52.0801 (This code must be determined for new courses. The codes can be found at http://nces.ed.gov/ipeds/cipcode/. If you are not sure what code to use, please consult with the Institutional Research).

6. Check if appropriate: ☐
   This course will be cross listed with: N/A
   Rationale for cross listing: N/A
   Please attach letters of support from the chairs of each department indicating that the department has discussed the proposal and supports it.

7. a) Could another department or program also be a logical originator of this course (i.e. History of American Education could originate in both the Teacher Education and the History departments)? If yes, what department/program? Please contact the department chair/program director and request a note or email that they are aware of the proposed new course and include that note with the proposal.

This form was approved by FCC on 8/17/2010 and replaces all others.  

p. l
Proposal for a New Course

b) Please explain overlap with any existing courses.
N/A

8. Prerequisites (or other restrictions):
FINC 303 and Junior standing

9. Rationale/justification for course (consider the following issues):

a) What are the goals and objectives of the course?
Goals and objectives include learning the basics of relational database design and Microsoft Access, gaining proficiency with Microsoft Excel, applying spreadsheets to numerous financial problems (e.g. pro forma analysis, portfolio analysis, and CAPM testing), using the Internet as a resource in financial problem-solving and decision-making, and learning to summarize data, interpret findings, and communicate results.

b) How does the course support the mission statement of the department and the organizing principles of the major?
The Department of Economics and Finance does not have a mission statement. However, with regard to the organizing principles of the major, we are designing the program to provide students with a basic understanding of the major areas of finance (corporate investments, and institutions). In addition, students may choose to specialize their coursework somewhat by taking additional courses in one of those three areas. This course, FINC 389, helps to satisfy the first criterion of ensuring an understanding of the three main areas through applied problem solving in more depth than offered in the introductory business finance course (i.e. FINC 303).

10. a) For courses in the major, how does the course enhance the beginning, middle, or end of the major?
This is an important course for students to take relatively early in their program of study. It solidifies the concepts that students should have seen in FINC 303 by forcing students to revisit these topics using different tools for analysis. The course further includes material that will be utilized by students in later FINC courses. Finally, the course also gives students in-depth exposure to financial modeling tools, particularly Microsoft Excel; such tools are consistently listed by potential employers of new finance undergraduates as one of the top three most desirable characteristics in successful new hires.

b) For courses used by non-majors, how does the course support the liberal arts tradition including linkages with other disciplines:
We do not anticipate substantial non-major participation in the course. However, students in any quantitative discipline could benefit from exposure to the financial modeling covered, as these types of models have broader application than just
Proposal for a New Course

finance. In addition, the other technology tools included in the course, such as
database creation and management, have broader application, as well.

11. Method of teaching:
Lecture and applied problem solving.

12. a) Address potential enrollment pattern shifts in the department or college-wide related to
the offering of this course:
This course would take the place of DSCI 300 for finance majors. As such, the
enrollment in DSCI 300 would decrease by the number of students choosing to
major in finance.

b) Address potential shifts in staffing of the department as it relates to the offering of this
course:
The existing faculty can initially cover the program. However, as the program
develops and the need to teach more sections of certain courses increases, one
additional Department of Economics and Finance faculty member will be
needed. We anticipate the need for this additional faculty member at the
beginning of the second year of the program, most likely at the Assistant
Professor level.

c) Frequency of offering:
   each fall: ☒  each spring: ☒
   every two years: □  every three years: □
   other □ (Explain): 

13. Requirements for additional resources made necessary by this course:

   a) Staff:
The program will initially be funded and staffed by resources already allocated to
the department. In the second year, an additional faculty line will be requested to
accommodate anticipated enrollment growth and associated necessary
additional sections of required courses.

   b) Budget:
   Please see answer to 13.a.

   c) Library:
The library already has sufficient holdings for the proposed program. It is not
expected that additional resources will be required above those already allocated
to the department.

14. Is this course to be added to the Degree Requirements of a Major, Minor, Concentration or List
of Approved Electives?
a) ☒ yes  □ no

This form was approved by FCC on 8/17/2010 and replaces all others.  p. 3
Proposal for a New Course

b) If yes, complete the Change Degree Requirements form(s) and list the name(s) of the major, minor, concentration and/or list of approved electives here:
New major in finance.

15. Paste syllabus, reading lists, or any additional documentation that can help the committee evaluate this proposal (a syllabus is mandatory).
Please see attached syllabus.
Proposal for a New Course

16. Signature of Department Chair or Program Director: 
   
   Date: 4-14-11

17. Signature of Dean of School:
   
   Date: 4/14/11

18. Signature of Provost:
   
   Date:

19. Signature of Curriculum Committee Chair
   
   Date:

20. Signature of Faculty Senate Secretary:
   
   Date Approved by Senate:

Completed form should be sent by the Faculty Senate Secretary to the Registrar. After implementation, information concerning the passed course and program changes will be provided by the Registrar to all faculty and staff on campus.
FACULTY CURRICULUM COMMITTEE ADDENDUM to FCC OLD FORMS

Contact Name: Justin D. Benefield  Email: benefieldj@cofc.edu  Phone:  3-1992

Department or Program Name: Economics and Finance  School name: School of Business

☑ New or ☐ Changed  COURSE -- Prefix, Number, and Title: FINC 389 -- Financial Management Information Systems

☐ New or ☐ Changed  MINOR -- Name and Acronym of Minor:

☐ New or ☐ Changed  PROGRAM -- Name and Acronym of Major:

STUDENT LEARNING OUTCOMES and ASSESSMENT

<table>
<thead>
<tr>
<th>Student Learning Outcomes</th>
<th>Assessment Method and Performance Expected</th>
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<td>What will students know and be able to do when they complete the course/minor/program?</td>
<td>How will each outcome be measured? Who will be assessed, when, and how often? How well should students be able to do on the assessment?</td>
</tr>
<tr>
<td>1. Students will gain proficiency with Microsoft Excel and Access.</td>
<td>Will be assessed throughout the course by evaluation of level of knowledge and progress made in using appropriate software packages to complete various projects, homework assignments, and in-class quizzes. All students in the class will be assessed on the scheduled due dates for these projects, assignments, and quizzes, which happen multiple times throughout the semester. One exam, on which all students will be assessed, will also assess this goal. The student should be able to earn a passing average across these assessments.</td>
</tr>
<tr>
<td>2. Students will demonstrate creativity and problem-solving ability in solving capital budgeting problems, performing financial analysis and forecasting, and solving portfolio allocation and optimization problems.</td>
<td>Will be assessed via various projects, presentations, homework assignments, and in-class quizzes. All students in the class will be assessed on the scheduled due dates for these projects, presentations, assignments, and quizzes, which happen multiple times throughout the semester. One exam, on which all students will be assessed, will also assess this goal. The student should be able to earn a passing average across these assessments.</td>
</tr>
<tr>
<td></td>
<td></td>
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<tr>
<td>---</td>
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</tr>
<tr>
<td>3. Students will demonstrate a general understanding of derivatives and derivative-based strategies.</td>
<td>Will be assessed via various projects, homework assignments, and in-class quizzes. All students in the class will be assessed on the scheduled due dates for these projects, assignments, and quizzes, which happen multiple times throughout the semester. One exam, on which all students will be assessed, will also assess this goal. The student should be able to earn a passing average across these assessments.</td>
</tr>
<tr>
<td>4. Students will understand the basics of using Visual Basic programming to create macros for enhancing the capabilities of Microsoft Excel.</td>
<td>Will be assessed using a project and presentation toward the end of the semester. All students in the class will be assessed on the scheduled presentation date. The student should be able to earn a passing average on this assessment.</td>
</tr>
</tbody>
</table>

**If a course/minor, how does it align with the student learning outcomes articulated for the major, program, or general education?** What program-level outcome or outcomes does it support? Is the content or skill introduced, reinforced, or demonstrated in this course?

**The course contributes to the development of communication skills, quantitative fluency, and intellectual innovation and creativity, which are three of the proposed over-arching student learning outcomes for the finance major.** The mission of the finance program is to provide students with the intellectual and analytical tools necessary to function in the dynamic, global economy and related financial markets; a thorough understanding of the financial applications of Microsoft Excel and related software packages is requisite to achieving that goal. Some content, such as the use of Microsoft Excel to solve financial problems, will be introduced. Some content, such as basic time value of money relationships underlying the financial problems encountered, will be reinforced. All problem-oriented content covered will be demonstrated.
FINANCE 389
ADVANCED FINANCIAL TOPICS AND FINANCIAL MODELING: A CASE STUDY APPROACH
College of Charleston Fall 2011

Instructor: Rachel Graefe-Anderson
Office: 425 BCTR
Phone: (843) 953-5181
E-mail: graefeandersonrl@cofc.edu
Office Hours: M/W 12:00-2:00 pm and by appointment

SECTION:
M/W 3:25-4:40 p.m.

RESOURCES:

2) *Excel 2007*. The “new” Excel should be installed in most computer labs.
3) *A flash drive* (or figure out other means to save the work you do in class).
4) *Supplemental Text (not required):* At times, you may want to have access to a “deeper” coverage of the topics we will discuss. At those times, the textbook used for FINC 303 should be a good reference.

COURSE DESCRIPTION:

The course introduces students to technology supporting financial modeling and decision making. Students will learn to apply the concepts they have learned in the introductory finance courses into a spreadsheet model framework of Microsoft Excel. The course will examine modeling in four primary areas: (1) corporate finance models, (2) fixed income securities models, (3) portfolio models, and (4) option pricing models. The course relies on quantitative analysis and use of Internet and is, thus, application oriented.

COURSE OVERVIEW

This course is an Excel-based course and, as such, requires a basic working knowledge of the software. This will be assumed of students beginning the course; however, basic functions will be reviewed in due course of instruction. In addition, while a brief review of various topics, such as bonds or options, will be part of the course, in-depth instruction on the basics of the material will not be presented. Rather, students will be assumed to have a working knowledge of various financial concepts prior to enrolling in this course.
PREREQUISITE: FINC 303

GENERAL LEARNING OBJECTIVES
1. To gain proficiency with Excel's tools and functions. Students will demonstrate competency through their performance on individual projects.
2. To learn how to apply spreadsheets to various financial problems, such as pro forma statement analysis, valuation, portfolio analysis, and testing of the CAPM. Students will demonstrate competency through their performance on in-class examinations and through their performance on the projects, the latter of which are designed to mimic those issues the student would address in the real world.
3. To use Internet as a resource for financial problem-solving and decision making. Students will demonstrate their ability to proficiently perform research through their completed projects and through their participation in the classroom discussions.
4. To learn how to summarize data, and interpret and communicate the results. Students will demonstrate competency through their performance on an in-class exam, through their performance on projects and through their interactions during classroom discussions.

SPECIFIC MODELING OBJECTIVES:

At a minimum, completion of this course will ensure students has a working knowledge of the following financial models:
- basic financial calculations
- cost of capital calculation
- financial statement analysis
- duration calculation
- term structure of interest rates
- efficient portfolio creation
- estimating beta and the security market line
- the Black-Scholes model

GRADE DETERMINATION:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class Participation</td>
<td>10 %</td>
</tr>
<tr>
<td>Assignments/Quizzes</td>
<td>20 %</td>
</tr>
<tr>
<td>Take Home Final Exam</td>
<td>30 %</td>
</tr>
<tr>
<td>Individual Projects (4 @ 10% each)</td>
<td>40 %</td>
</tr>
</tbody>
</table>

100 %

SBE OBJECTIVES

Consistent with the goals of the School of Business and Economics, this course includes instruction in:

*Problem Solving Ability:* The course requires extensive aptitude in comprehending and implementing strategies to solve practical quantitative problems within all areas of Finance. Students will be required to effectively translate financial problems into a computer software package and interpret the results. Focus will be given to real-world issues that students will likely face upon graduation.

*Effective Communications:* The course requires successful completion of various projects that will be graded on both content and presentation. Students will be required to communicate with other group members as well as the instructor during the learning process, to present completed materials to the class, and to effectively communicate the importance of each project they are required to complete.

*Ethical Awareness:* The course requires students understand the ethical responsibilities in all areas of finance, particularly financial market activities.

*Global Awareness:* The course requires an understanding of international implications relative to all concepts of finance taught throughout the course. Students will be instructed in material that is of global importance and will be required to understand the complexities faced in the global finance world. Many models will require the student to effectively incorporate parameters to accommodate numerous geographical regions.

COURSE POLICIES:

*Class Participation/Attendance:*
I will monitor class participation and attendance on a daily basis. An in-class activity will be assigned in every class. For each in-class activity, you will be graded out of 2 points. If I find that you made satisfactory progress in the class, you will earn full 2 points. If not, you will earn 1 point. You earn zero points if you are absent for the class. To accommodate for extraordinary circumstances that may prevent you from attending a few classes, I will drop three of your lowest scores. The total points of all class activities will be scaled down to 10% of your final grade.

*Exams:*
There will one comprehensive take-home final exam in this class.

*Assignments/Quizzes:*
Tasks will be assigned with specific requirements for completion throughout the course. Quizzes will be given as needed at the discretion of the instructor.
**Individual Project Assignments:**
You will need to complete four to six individual project assignments during the quarter. All projects will involve analyzing data using Excel, creating easy to understand output in Excel, and interpreting data analysis. Two projects will be based on case studies, one project will involve gathering data from Internet.

**Feedback:**
Please email me or contact me anytime during the semester to communicate any special concerns or comments you have regarding the course, the schedule and/or the teaching approach. You may also leave a written note in my office mailbox or in the Finance Department office.

**Miscellaneous:**
- Requests for re-grades must be submitted on the day the exam or project is returned.
- All wireless devices must be turned off during regular class sessions and exams.
- Any work done on the computer during the class time has to be Excel or financial modeling related, no web-surfing or email-checking please.
- The schedule and procedures for grading in this course are subject to change in the event of extenuating circumstances. I will announce any changes as far in advance as possible. You will be held responsible for completing all course components.
- We will follow all University policies in this course.
  - Unless you have a physician’s excuse in writing, make-up tests will not be allowed and a zero will be given for the missed work.
- The Academic Integrity and Honesty policies of the CoC will be fully and strictly enforced, as well as all other applicable University rules and procedures
- Students with documented disabilities who may need academic accommodations should discuss these with me during the first two weeks of class.

**TENTATIVE SCHEDULE:**

See next page.
Proposal for a New Course

NOTE: (1) All gray text boxes must be completed (even if you just put N/A into them), otherwise the committee must consider the form incomplete.

NOTE: (2) If the new course is to be accepted as fulfilling General Education requirements, a separate approval must be done through the General Education Committee.

Contact person Justin D. Benefield Email address benefieldj@cofc.edu Phone 953-1992

1. Department: Economics and Finance

2. Course number and title: FINC 401 - Fixed Income Investment Analysis
   Number of Credits: 3        Total hrs/week: 2.5

   Lecture: [x] Lab: [ ] Recitation: [ ] Seminar: [ ]

   For Independent study courses:
   Research: [ ] Field experience: [ ]
   Clinical Practice: [ ] Internship: [ ]
   Practicum: [ ] Independent Course Work: [ ]

3. Semester and year when course will first be offered:
   Fall 2012

4. Catalog Description (please limit to 50 words):
   Detailed consideration of bond valuation, bond portfolio management, mathematics of bond yields and duration, and the interest rate environment. Consideration is also given to overall securities portfolio management and techniques with a focus on bond allocation as a necessary diversification strategy.

5. CIP Code: 52.0801 (This code must be determined for new courses. The codes can be found at http://nces.ed.gov/ipeds/cipcode/. If you are not sure what code to use, please consult with the Institutional Research).

6. Check if appropriate: [ ]
   This course will be cross listed with: N/A
   Rationale for cross listing: N/A
   Please attach letters of support from the chairs of each department indicating that the department has discussed the proposal and supports it.

7. a) Could another department or program also be a logical originator of this course (i.e. History of American Education could originate in both the Teacher Education and the History departments)? If yes, what department/program? Please contact the department chair/program director and request a note or email that they are aware of the proposed new course and include that note with the proposal.
   N/A

This form was approved by FCC on 8/17/2010 and replaces all others.
Proposal for a New Course

b) Please explain overlap with any existing courses.
   N/A

8. Prerequisites (or other restrictions):
   MATH 120, FINC 303, FINC 400, or permission of the instructor.

9. Rationale/justification for course (consider the following issues):

   a) What are the goals and objectives of the course?
      This course will provide an in-depth study of fixed income instruments, structure, and market equilibrium. Specifically, the course will cover: (1) fixed income markets and participants; (2) interest rate theory; (3) basic fixed income securities; and (4) fixed income derivatives. Students will acquire an enhanced understanding of fixed income security markets, the valuation of fixed income securities, and portfolio management techniques using fixed income securities.

   b) How does the course support the mission statement of the department and the organizing principles of the major?
      The Department of Economics and Finance does not have a mission statement. However, with regard to the organizing principles of the major, we are designing the program to provide students with a basic understanding of the major areas of finance (corporate, investments, and institutions). In addition, students may choose to specialize their coursework somewhat by taking additional courses in one of those three areas. This course, FINC 401, helps to satisfy the second criterion by allowing students to focus, if they so choose, on the area of investments. Fixed income securities are a large component of overall securities markets, with total dollar value traded well in excess of equity markets.

10. a) For courses in the major, how does the course enhance the beginning, middle, or end of the major?
    This is an important course for students to take towards the end of their program of study. The course will assume a basic knowledge of business finance (FINC 303) and investments (FINC 400). It builds on the valuation skill sets learned in those classes, while necessarily substantially increasing the quantitative focus to incorporate advanced duration analysis and portfolio management techniques. For students pursuing a career in the investments arena, an in-depth understanding of fixed income markets will be helpful in securing any starting position and will be required for many types of starting positions.

    b) For courses used by non-majors, how does the course support the liberal arts tradition including linkages with other disciplines:
    Given the required prerequisites for the course (MATH 120, FINC 303, and FINC 400), we do not anticipate substantial non-major participation in the course. However, students who are interested in pursuing a career in investments, and

This form was approved by FCC on 8/17/2010 and replaces all others.  

p. 2
Proposal for a New Course

who are willing to meet the prerequisites, will find the application of quantitative methods interesting. For example, in earlier FINC classes, duration is typically taught via the "spreadsheet" method, while duration and convexity would be taught as the first and second derivatives of the bond pricing function in FINC 401. Thus, students majoring in quantitative disciplines, such as mathematics or physics, may find the interdisciplinary application beneficial.

11. Method of teaching:
   Lecture.

12. a) Address potential enrollment pattern shifts in the department or college-wide related to the offering of this course:
   This is a new course that should draw enrollment primarily from students already concentrating in finance; therefore, college-wide enrollment patterns should not be appreciably impacted.

b) Address potential shifts in staffing of the department as it relates to the offering of this course:
   The existing faculty can initially cover the program. However, as the program develops and the need to teach more sections of certain courses increases, one additional Department of Economics and Finance faculty member will be needed. We anticipate the need for this additional faculty member at the beginning of the second year of the program, most likely at the Assistant Professor level.

c) Frequency of offering:
   each fall: ☒ each spring: ☐
   every two years: ☐ every three years: ☐
   other ☐ (Explain):

13. Requirements for additional resources made necessary by this course:

   a) Staff:
      The program will initially be funded and staffed by resources already allocated to the department. In the second year, an additional faculty line will be requested to accommodate anticipated enrollment growth and associated necessary additional sections of required courses.

   b) Budget:
      Please see answer to 13.a.

   c) Library:
      The library already has sufficient holdings for the proposed program. It is not expected that additional resources will be required above those already allocated to the department.

This form was approved by FCC on 8/17/2010 and replaces all others.
Proposal for a New Course

14. Is this course to be added to the Degree Requirements of a Major, Minor, Concentration or List of Approved Electives?
   a) ☒ yes  ☐ no

   b) If yes, complete the Change Degree Requirements form(s) and list the name(s) of the major, minor, concentration and/or list of approved electives here:
      New major in finance.

15. Paste syllabus, reading lists, or any additional documentation that can help the committee evaluate this proposal (a syllabus is mandatory).
    Please see attached syllabus.
Proposal for a New Course

16. Signature of Department Chair or Program Director:
   
   Date: 4/14/11

17. Signature of Dean of School:
   
   Date: 4/14/11

18. Signature of Provost:
   
   Date: 11-10-11

19. Signature of Curriculum Committee Chair
   
   Date: 

20. Signature of Faculty Senate Secretary:
   
   Date Approved by Senate: 

Completed form should be sent by the Faculty Senate Secretary to the Registrar. After implementation, information concerning the passed course and program changes will be provided by the Registrar to all faculty and staff on campus.
FACULTY CURRICULUM COMMITTEE ADDENDUM to FCC OLD FORMS

Contact Name: Justin D. Benefield  Email: benefieldj@cofc.edu  Phone: 3-1992

Department or Program Name: Economics and Finance  School name: School of Business

- New or Changed  COURSE -- Prefix, Number, and Title: FINC 401 – Fixed Income Investment Analysis

- New or Changed  MINOR -- Name and Acronym of Minor:

- New or Changed  PROGRAM -- Name and Acronym of Major:

STUDENT LEARNING OUTCOMES and ASSESSMENT

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<tr>
<td></td>
<td>Will be assessed via exams and level of understanding shown by weekly article summaries. All students in the class will be assessed on the scheduled exam dates, which happen four times per semester, and on the dates of the weekly article summaries. The student should be able to earn a passing average across these assessments.</td>
</tr>
<tr>
<td>1. Students will understand the organization and operation of fixed income markets in the US, including the major participants in those markets.</td>
<td></td>
</tr>
<tr>
<td>2. Students will understand the determination of interest rates, including risk-based determination, theories of the term structure, and interest rate use in fixed income valuation.</td>
<td>Will be assessed via exams and level of understanding shown by weekly article summaries. All students in the class will be assessed on the scheduled exam dates, which happen four times per semester, and on the dates of the weekly article summaries. The student should be able to earn a passing average across these assessments.</td>
</tr>
<tr>
<td>3. Students will demonstrate a thorough understanding of long-term and short-term fixed income markets, including valuation of the various securities traded in those markets.</td>
<td>Will be assessed via exams and level of understanding shown by weekly article summaries. All students in the class will be assessed on the scheduled exam dates, which happen four times per semester, and</td>
</tr>
<tr>
<td>4. Students will demonstrate a basic understanding of derivative markets and the role interest rates play in derivative valuation, including futures, swaps, options, and various asset-backed securities.</td>
<td>Will be assessed via exams and level of understanding shown by weekly article summaries. All students in the class will be assessed on the scheduled exam dates, which happen four times per semester, and on the dates of the weekly article summaries. The student should be able to earn a passing average across these assessments.</td>
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If a course/minor, how does it align with the student learning outcomes articulated for the major, program, or general education? What program-level outcome or outcomes does it support? Is the content or skill introduced, reinforced, or demonstrated in this course?

The course contributes to the development of communication skills, quantitative fluency, and intellectual innovation and creativity, which are three of the proposed over-arching student learning outcomes for the finance major. The mission of the finance program is to provide students with the intellectual and analytical tools necessary to function in the dynamic, global economy and related financial markets; a thorough understanding of interest rate behavior in general, and fixed income security valuation in particular, is very helpful in achieving that goal. Some content, such as detailed theories of the term structure of interest rates and advanced fixed income security valuation, will be introduced. Some content, such as basic bond valuation, will be reinforced. All problem-oriented content covered will be demonstrated.
College of Charleston
FINC 401 – Fixed Income Investment, Course Syllabus

Instructor: xxx
Class Time: xxx
Office/Phone/E-mail: xxx
Office Hours: xxx

Course Description:
This course will provide an in-depth study of fixed income instruments, structure, and equilibrium. Topics covered include fixed income securities analysis, interest rate theory, and fixed income derivatives. Students will be exposed to the basic concepts of fixed income investments and develop a working knowledge of how to incorporate these assets into investment strategies.

Course Objectives
- Students will obtain a working knowledge of:
  (1) Fixed income market and participants
  (2) Interest rate theory
  (3) Basic fixed income securities
  (4) Fixed income derivatives.
- Students will acquire an enhanced understanding of the valuation of, and the portfolio management uses for, fixed income securities and the markets in which they trade.
- At the end of the course, students will be more aware of the ethical issues in the financial market.
- Students will possess the problem solving skills and be able to communicate effectively in the financial market.

Students will be assessed on their competency of these issues through examinations and real-world oriented projects.
Relationship to School of Business and Economics Learning Goals:

Global Awareness – The fixed income securities contemplated in the course are some of the most actively traded in the world, and the dollar volume of fixed income security trading dwarfs that of equity trading. Add to those facts the increasing globalization of financial markets, and it becomes clear that global awareness is necessary for a thorough understanding of today’s fixed income markets.

Effective Communications – The course requires the completion of numerous article summaries, which help improve students’ reading comprehension and written communication skills. In addition, students will occasionally be called upon to discuss their weekly articles in class, which is geared toward improving verbal communication and presentation skills.

Ethical Awareness – The nature of the material covered allows several areas of the course to incorporate ethical decision-making. For example, the ethical issues inherent in bond private placements, given their less stringent reporting requirements and historical role in the development of the junk bond market, are particularly interesting. More recent examples of fixed income market issues with an ethical component include choosing which securities to place into an asset-backed security pool or choosing how much beyond the regulatory requirement to disclose about off-balance sheet activities such as credit default swaps.

Problem Solving Ability – The course requires intensive calculations related to the determination of spot and forward interest rates, the pricing of various types of corporate and municipal bonds, including callable and convertible bonds, and the pricing of several kinds of asset-backed bonds, including mortgage-backed securities and collateralized debt obligations. Problem solving ability is honed extensively.

Prerequisite:
FINC 303; FINC 400; MATH 120; Junior standing
Required Textbook:

Additional readings:
The Wall Street Journal (WSJ).

Grade Determination
Your Overall Performance Score computes with these weights:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam 1</td>
<td>20%</td>
</tr>
<tr>
<td>Exam 2</td>
<td>20%</td>
</tr>
<tr>
<td>Exam 3</td>
<td>20%</td>
</tr>
<tr>
<td>Comprehensive Final</td>
<td>25%</td>
</tr>
<tr>
<td>WSJ reading summary</td>
<td>10%</td>
</tr>
<tr>
<td>Wildcard for best all-around performance</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The Overall Performance Score computes with this letter grade distribution:

- $92.0 \leq \text{average} \Rightarrow A$
- $89.5 \leq \text{average} < 92.0 \Rightarrow A-$
- $87.0 \leq \text{average} < 89.5 \Rightarrow B+$
- $82.0 \leq \text{average} < 87.0 \Rightarrow B$
- $79.5 \leq \text{average} < 82.0 \Rightarrow B-$
- $77.0 \leq \text{average} < 79.5 \Rightarrow C+$
- $72.0 \leq \text{average} < 77.0 \Rightarrow C$
- $69.5 \leq \text{average} < 72.0 \Rightarrow C-$
- $67.0 \leq \text{average} < 69.5 \Rightarrow D+$
- $62.0 \leq \text{average} < 67.0 \Rightarrow D$
- $59.5 \leq \text{average} < 62.0 \Rightarrow D-$
- $\text{average} < 59.5 \Rightarrow F$

Wall Street Journal Readings:
Students should have access to the WSJ (print/online). Reading WSJ helps you link the class to the real world. In each week (excluding the exam week), each student should choose an article relevant to this course and write a one-page summary of the chosen article. The summary should summarize the important and relevant points of the article.
using your own words. Minimize the use of the author’s words in the summary. The summary is due on Fridays in class. The instructor reserves the right to ask students to discuss/summarize the chosen articles in class. The summary should be double-spaced, use Times New Roman font in size 12, and follow the following format.

Student name:
Article title:
Article date and page: (e.g., January 12, 2011, C1)
Summary:

Exam Policy
- Exams are administered in-class and therefore time conflicts should not occur. No make-up exam will be given. If extenuating circumstances cause you to miss an exam then you, or your designee, must contact me, or the Finance administrative assistant (953-8100), the day following the exam. **If no contact is made then your exam grade automatically is "F" (zero).** If you make contact as specified above and I determine the reason for missing the exam is deemed valid, then the weight of the missed exam will be added to that of the final exam.
- You may bring one 3” x 5” index card to the mid-term exam. For the final exam, you may bring an A4 size paper but only limited to the front side. The rules on the index card are as follows. (All of the following rules are to be applied in the final exam except the size and the front and back rules.)
  - It must be a 3” x 5” index card! (Let me know if you need one.)
  - Hand-written (front and back), no photo copy.
  - Write your name on the top of one side of the card
  - Turn in the card with the exam. It will be returned to you with the exam.
  - Not following the above rules will result in 3 points penalty on the given exam.

Other Issues
(1) Grade appeal: To appeal your grade, write the justification for your appeal and submit your written argument and exam within 3 class days of the general return
of the exam. Appeals filed tardy, such as after the end of the semester, will not be considered. Your grades on assessments prior to the final should be discussed before you take the final. After the final exam, the only issue on the table for discussion is the final exam itself.

(2) Attendance policy: I expect you to attend class regularly. I may take attendance on random basis. Attendance will be considered when I assign your class participation grade.

(3) Email policy: I will respond only to emails sent through student email accounts (i.e. cofs accounts). Email received after 3 p.m. will not be replied until next day.

(4) It is your responsibility to check with your fellow students or me on any announcement made in class if you miss the class.

(5) Please turn off all electronic devises when class/exam is in session including pc, cell phone, ipod, or any communication devises. If you have any special need which requires using electronic devises during class/quiz/exam, come see me.

(6) I strongly recommend you bring a calculator to class. No specific type of calculator is required but a financial calculator is preferred.

(7) If there is a student in this class who has a documented disability and has been approved to receive accommodations through the Center for Disability Services/SNAP (Students Needing Access Parity), please notify me as soon as possible.

**College of Charleston Honor Code and Academic Integrity**

Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved.

Incidents where the instructor determines the student’s actions are related more to a misunderstanding will handled by the instructor. A written intervention designed to help prevent the student from repeating the error will be given to the student. The intervention, submitted by form and signed by both the instructor and the student, will be forwarded to the Dean of Graduate Students and placed in the student’s file.

Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Graduate Students. A student found responsible by the Honor Board for academic dishonesty will receive a XF in the course, indicating failure of the course due to academic dishonesty. This grade will
appear on the student’s transcript for two years after which the student may petition for the X to be expunged. The student may also be placed on disciplinary probation, suspended (temporary removal) or expelled (permanent removal) from the College by the Honor Board.

Students should be aware that unauthorized collaboration—working together without permission—is a form of cheating. Unless the instructor specifies that students can work together on an assignment, quiz and/or test, no collaboration during the completion of the assignment is permitted. Other forms of cheating include possessing or using an unauthorized study aid (which could include accessing information stored on a cell phone), copying from others’ exams, fabricating data, and giving unauthorized assistance.

Research conducted and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the instructor. Students can find the complete Honor Code and all related processes in the Student Handbook at http://www.cofc.edu/about/documents/handbook.pdf

<table>
<thead>
<tr>
<th>Week</th>
<th>Topics</th>
<th>Reading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Market Overview I: Functions and participants</td>
<td>Ch. 1, 2, 7</td>
</tr>
<tr>
<td>2</td>
<td>Market Overview II: Participants (continue)</td>
<td>Ch. 3-6</td>
</tr>
<tr>
<td>3</td>
<td>Risk and Return I</td>
<td>Ch. 8</td>
</tr>
<tr>
<td>4</td>
<td>Risk and Return II</td>
<td>Ch. 9</td>
</tr>
</tbody>
</table>

**Exam 1**

5 Interest Rate Determination I: The theory and structure | Ch. 17
6 Interest Rate Determination II: Debt valuation | Ch. 18
7 Interest Rate Determination III: Term structure | Ch. 19

**Exam 2**

8 Debt Markets I: Money and Treasury markets | Ch. 20, 21
9 Debt Markets II: Corporate instruments and Municipal securities | Ch. 22-24
10 Derivatives I: Forwards and futures | Ch. 10

**Exam 3**

11 Derivatives II: Options | Ch. 11
12 Derivatives III: Swaps | Ch. 12
13 Derivatives IV: Securitization and asset-backed securities | Ch. 26-28
14 Foreign Exchange Markets | Ch. 33

**Final Exam**
Proposal for a New Course

NOTE: (1) All gray text boxes must be completed (even if you just put N/A into them), otherwise the committee must consider the form incomplete.
NOTE: (2) If the new course is to be accepted as fulfilling General Education requirements, a separate approval must be done through the General Education Committee.

Contact person Justin D. Benefield Email address benefieldj@cofc.edu Phone 953-1992

1. Department: Economics and Finance

2. Course number and title: FINC 402 - Derivative Securities
   Number of Credits: 3       Total hrs/week: 2.5

   Lecture: ☑ Lab: ☐ Recitation: ☐ Seminar: ☐

   For Independent study courses:
      Research: ☐ Field experience: ☐
      Clinical Practice: ☐ Internship: ☐
      Practicum: ☐ Independent Course Work: ☐

3. Semester and year when course will first be offered:
   Spring 2013

4. Catalog Description (please limit to 50 words):
   This course covers the quantitative underpinnings of derivative design and valuation, particularly options, forwards, and futures. Specific course coverage includes the study of option pricing theory and strategies most commonly used in the market for options. Particular focus will be given to portfolio and risk management.

5. CIP Code: 52.0801 (This code must be determined for new courses. The codes can be found at http://nces.ed.gov/ipeds/cipcode/. If you are not sure what code to use, please consult with the Institutional Research).

6. Check if appropriate: ☐
   This course will be cross listed with: N/A
   Rationale for cross listing: N/A
   Please attach letters of support from the chairs of each department indicating that the department has discussed the proposal and supports it.

7. a) Could another department or program also be a logical originator of this course (i.e. History of American Education could originate in both the Teacher Education and the History departments)? If yes, what department/program? Please contact the department chair/program director and request a note or email that they are aware of the proposed new course and include that note with the proposal.
   N/A

This form was approved by FCC on 8/17/2010 and replaces all others.
Proposal for a New Course

b) Please explain overlap with any existing courses.
N/A

8. Prerequisites (or other restrictions):
MATH 120, FINC 303, FINC 400, or permission of the instructor.

9. Rationale/justification for course (consider the following issues):

a) What are the goals and objectives of the course?
Successful completion of this course will require the student to have a working knowledge of the mechanics of derivative markets, properties of derivative securities, principles of derivative pricing, trading strategies with derivative securities, and financial risk management techniques and applications with regards to derivative securities.

b) How does the course support the mission statement of the department and the organizing principles of the major?
The Department of Economics and Finance does not have a mission statement. However, with regard to the organizing principles of the major, we are designing the program to provide students with a basic understanding of the major areas of finance (corporate, investments, and institutions). In addition, students may choose to specialize their coursework somewhat by taking additional courses in one of those three areas. This course, FINC 402, helps to satisfy the second criterion by allowing students to focus, if they so choose, on the area of investments. Derivative securities are already an important component of overall securities markets, with interest rapidly increasing in this subfield of investments.

10. a) For courses in the major, how does the course enhance the beginning, middle, or end of the major?
This is an important course for students to take towards the end of their program of study. The course will assume a basic knowledge of business finance (FINC 303) and investments (FINC 400). It builds on the valuation skill sets learned in those classes, while necessarily substantially increasing the quantitative focus to incorporate advanced derivative valuation and portfolio management techniques. For students pursuing a career in the investments arena, an in-depth understanding of derivative markets will be helpful in securing any starting position and will be required for many types of starting positions.

b) For courses used by non-majors, how does the course support the liberal arts tradition including linkages with other disciplines:
Given the required prerequisites for the course (MATH 120, FINC 303, and FINC 400), we do not anticipate substantial non-major participation in the course. However, students who are interested in pursuing a career in investments, and who are willing to meet the prerequisites, will find the application of quantitative
Proposal for a New Course

methods interesting. For example, only one earlier FINC class touches on
derivative valuation, and then only as presenting one type of closed-form solution
(i.e. the Black-Scholes option pricing formula). The derivation of the formula and
application of option valuation methodologies without a closed-form solution (e.g.
the binomial option pricing model) are ignored. Thus, students majoring in
quantitative disciplines, such as mathematics or physics, may find the
interdisciplinary application beneficial.

11. Method of teaching:
   Lecture.

12. a) Address potential enrollment pattern shifts in the department or college-wide related to
    the offering of this course:
    This is a new course that should draw enrollment primarily from students already
    concentrating in finance; therefore, college-wide enrollment patterns should not
    be appreciably impacted.

b) Address potential shifts in staffing of the department as it relates to the offering of this
   course:
   The existing faculty can initially cover the program. However, as the program
develops and the need to teach more sections of certain courses increases, one
additional Department of Economics and Finance faculty member will be
needed. We anticipate the need for this additional faculty member at the
beginning of the second year of the program, most likely at the Assistant
Professor level.

c) Frequency of offering:
   each fall: ☐  each spring: ☒
   every two years: ☐  every three years: ☐
   other ☐ (Explain):

13. Requirements for additional resources made necessary by this course:

   a) Staff:
      The program will initially be funded and staffed by resources already allocated to
      the department. In the second year, an additional faculty line will be requested to
      accommodate anticipated enrollment growth and associated necessary
      additional sections of required courses.

   b) Budget:
      Please see answer to 13.a.

   c) Library:
      The library already has sufficient holdings for the proposed program. It is not
      expected that additional resources will be required above those already allocated

This form was approved by FCC on 8/17/2010 and replaces all others.  p. 3
Proposal for a New Course

to the department.

14. Is this course to be added to the Degree Requirements of a Major, Minor, Concentration or List of Approved Electives?
   a) ☑ yes ☐ no

   b) If yes, complete the Change Degree Requirements form(s) and list the name(s) of the major, minor, concentration and/or list of approved electives here:
      New major in finance.

15. Paste syllabus, reading lists, or any additional documentation that can help the committee evaluate this proposal (a syllabus is mandatory).
    Please see attached syllabus.
Proposal for a New Course

16. Signature of Department Chair or Program Director: 
   
   Date: 1/27/11

17. Signature of Dean of School: 
   
   Date: 4/14/11

18. Signature of Provost: 
   
   Date: 11-10-11

19. Signature of Curriculum Committee Chair: 

   Date:

20. Signature of Faculty Senate Secretary: 

   Date Approved by Senate:

Completed form should be sent by the Faculty Senate Secretary to the Registrar. After implementation, information concerning the passed course and program changes will be provided by the Registrar to all faculty and staff on campus.

This form was approved by FCC on 8/17/2010 and replaces all others.
FACULTY CURRICULUM COMMITTEE ADDENDUM to FCC OLD FORMS

Contact Name: Justin D. Benefield  Email: benefieldj@cofc.edu  Phone: 3-1992

Department or Program Name: Economics and Finance  School name: School of Business

☑ New or ☐ Changed  COURSE -- Prefix, Number, and Title: FINC 402 -- Derivative Securities

☐ New or ☐ Changed  MINOR -- Name and Acronym of Minor:

☐ New or ☐ Changed  PROGRAM -- Name and Acronym of Major:

STUDENT LEARNING OUTCOMES and ASSESSMENT

<table>
<thead>
<tr>
<th>Student Learning Outcomes</th>
<th>Assessment Method and Performance Expected</th>
</tr>
</thead>
<tbody>
<tr>
<td>What will students know and be able to do when they complete the course/minor/program?</td>
<td>How will each outcome be measured? Who will be assessed, when, and how often? How well should students be able to do on the assessment?</td>
</tr>
</tbody>
</table>

1. Students will understand the organization and operation of derivative securities markets in the US, including the major participants in those markets.  
Will be assessed via exams. All students in the class will be assessed on the scheduled exam dates, which happen three times per semester. The student should be able to earn a passing average across these assessments.

2. Students will understand the theoretical underpinnings and application of the most common option valuation methodologies, as well as the use of options in a variety of contexts.  
Will be assessed via exams and the investment simulation. All students in the class will be assessed on the scheduled exam dates, which happen three times per semester, and on the scheduled investment simulation report dates, which happen every two weeks over a ten-week period during the semester. The student should be able to earn a passing average across these assessments.

3. Students will understand the pricing of forwards, futures, swaps, options on futures, interest rate options, and swaptions, as well as the appropriate use of these financial instruments.  
Will be assessed via exams and the investment simulation. All students in the class will be assessed on the scheduled exam dates, which happen three times per semester, and on the scheduled investment simulation report dates, which happen every two weeks over a ten-week period during
| 4. Students will understand the use of derivative securities in managing the various types of risks faced by non-financial corporate entities (e.g. interest rate risk or currency risk). | Will be assessed via exams and the investment simulation. All students in the class will be assessed on the scheduled exam dates, which happen three times per semester, and on the scheduled investment simulation report dates, which happen every two weeks over a ten-week period during the semester. The student should be able to earn a passing average across these assessments. |

If a course/minor, how does it align with the student learning outcomes articulated for the major, program, or general education? What program-level outcome or outcomes does it support? Is the content or skill introduced, reinforced, or demonstrated in this course? The course contributes to the development of communication skills, quantitative fluency, and intellectual innovation and creativity, which are three of the proposed over-arching student learning outcomes for the finance major. The mission of the finance program is to provide students with the intellectual and analytical tools necessary to function in the dynamic, global economy and related financial markets; a thorough understanding of derivative security valuation and utilization is very helpful in achieving that goal. Some content, such as precise derivative security valuation methodologies, will be introduced. Some content, such as valuation of underlying primary securities, will be reinforced. All problem-oriented content covered will be demonstrated.
### Finance 402 Section 001

*Derivative Securities*

**Fall 2011**

<table>
<thead>
<tr>
<th>Instructor</th>
<th>Mark K. Pyles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class</td>
<td>12:15 – 1:30 TR, 218 Beatty Center</td>
</tr>
<tr>
<td>Office</td>
<td>414 Beatty Center</td>
</tr>
<tr>
<td>E-mail</td>
<td><a href="mailto:PylesM@cofc.edu">PylesM@cofc.edu</a></td>
</tr>
<tr>
<td>Office Number</td>
<td>3-7991</td>
</tr>
</tbody>
</table>
| Office Hours   | 2:00 PM - 3:00 PM TR  
10:00 AM - 2:00 PM W |

**Description**

This course covers the design and valuation of derivative securities, particularly options and futures. Particular focus will be given to portfolio and risk management with these assets. Material will cover the quantitative underpinnings of derivative valuation and students can expect to gain a practical understanding of how to incorporate derivative assets into an investment strategy.

**Prerequisites**

Junior standing, ACCT 203, 204, DSCI 232, FINC 303, ECON 201, 202, MATH 104 or 250.

**Objectives**

Successful completion of this course will entail the student has a working knowledge in:

- the mechanics of derivative markets
- properties of derivative securities
- principles of derivative pricing
- trading strategies with derivative securities
- financial risk management techniques and applications in regards to derivative securities

Students will demonstrate competency of these objectives through performance on classroom exams and out-of-class projects. Through the projects, students will apply the concepts above in a realistic manner and will be assessed based upon their level of displayed knowledge and implementation of this knowledge.

**Course Overview**

This course requires a non-trivial set of technical and mathematical tools. The use of basic algebra, statistics, and calculus will be used periodically throughout the course to facilitate understanding of the topic being covered. While the amount of detail of these supporting subjects will be limited to only the amount necessary, it the student may be required to review various topics outside of class to prepare for lectures and/or exams. The course will also utilize Excel regularly, so a basic knowledge of the software is expected. Students who do not meet this requirement should take the time to review or learn the basics of Excel outside of class.
Class meetings will primarily follow a traditional lecture format, with substantial student participation encouraged. Students will also often work in small groups, so the willingness and ability to communicate with classmates will be crucial.

**SB Objectives**

Consistent with the goals of the School of Business, this course includes instruction in:

- **Problem Solving Ability**: Students must learn to comprehend and implement strategies to solve practical quantitative problems within all areas of derivatives trading.

- **Effective Communications**: Students must learn to complete various written projects that will be graded on both content and presentation.

- **Ethical Awareness**: The course requires students understand their ethical responsibilities surrounding financial investing and financial market activities.

- **Global Awareness**: Students must appreciate and learn to incorporate international implications of all concepts of derivative investments taught throughout the course.

**Textbook**

The required text is *An Introduction to Derivatives and Risk Management* by Chance and Brooks, 8/e.

An additional text is also suggested to aide understanding of some of the more quantitative aspects of the course. This text is: *Options, Futures, and Other Derivatives* by Hull, 7/e.

**Calculator**

We will use a basic scientific calculator extensively throughout the course. A financial calculator with functions such as present value and internal rate of return will also be used periodically throughout the class. If you buy a new one, I highly recommend the TI BA II Plus. It is inexpensive and is considered very easy to use.

**Course Policy**

Learning in this course is derived primarily from class discussion, homework assignments, and examinations. Students will benefit most from class if they have read the assigned material and completed the assigned homework problems.

Unless you have a physician’s excuse in writing, make-up tests will not be allowed and a zero will be given for the missed work.

The Academic Integrity and Honesty policies of the CoFCA will be fully and strictly enforced, as well as all other applicable University rules and procedures.

Students with documented disabilities who may need academic accommodations should discuss these with me during the first two weeks of class.
Exams

There will be two non-cumulative midterm exams and a non-cumulative final worth 100 points each. Exams are given during the regular class period on the dates given in the schedule attached. Please note that no make-up or early exams will be administered.

Homework

Homework will be assigned at the end of every chapter. The assignments will not be taken up for grading, but it is highly recommended that you complete them as they will provide a good indication of what to expect on tests.

Class Participation

There will be 25 points available for class participation. This is purely subjective and is based on the instructor’s knowledge of your attendance and participation.

Projects

There will be two required projects during the course of the class. Each will be handed in class approximately 2 weeks before they are due. Each project will be worth 50 points and will be related to material covered in the course to that point. While students are encouraged to work together on these projects, each student will be responsible for turning in their own final product.

Inv. Simulation

Stock-Trak is an online investment simulation, where students can buy and sell securities just as you do in the real world. The investment time period is 10 weeks, beginning September 19, 2011 and ending November 25, 2011. As we move throughout the course, students will be required to trade the financial assets as they are covered. Once every two weeks, each student must turn in a 2-page explanation of their trading behavior, along with the confirmation pages. Before 5pm on November 29, 2010, each student should turn in a 5-page summary of your investment experience, including your successes, failures and strategies.

Each 2-week explanation is worth 10 points, while the last packet is worth 20 points for a total of 60 points possible for the entire project. In addition, any student whose portfolio’s ending value is above its beginning value will earn 2 extra points, and any student whose portfolio has a return greater than the S&P 500 will earn an additional 3 points. Thus, the total point potential for this extra credit is 5 points.

Grading

<table>
<thead>
<tr>
<th>Exams (3 * 100 pts. each)</th>
<th>300</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects (2 * 50 pts. each)</td>
<td>100</td>
</tr>
<tr>
<td>StockTrak</td>
<td>60</td>
</tr>
<tr>
<td>Class Participation</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>485 Points</td>
</tr>
</tbody>
</table>
Letter grades are assigned as follows:
A    = 93% - 100%
A-   = 90% - 92%
B+   = 88% - 89%
B    = 83% - 87%
B-   = 80% - 82%
C+   = 78% - 79%
C    = 73% - 77%
C-   = 70% - 72%
D+   = 68% - 69%
D    = 63% - 67%
D-   = 60% - 62%
F    = below 60%
Tentative Class Schedule:

First Test Material

Class Period 1: Introduction to Derivatives (Chapter 1)
Class Period 2: Structure of Option Markets (Chapter 2)
Class Period 3 & 4: Principles of Option Pricing (Chapter 3)
Class Period 5 & 6: Option Pricing Models: The Binomial Model (Chapter 4)
Class Periods 7 & 8: Option Pricing Models: The Black-Scholes-Merton Model (Chapter 5)
Class Period 9: Basic Option Strategies (Chapters 6)
Class Period 10: Advanced Option Strategies (Chapter 7)
Class Period 11: Review for Test 1
Class Period 12: Test 1

Second Test Material

Class Period 13: The Structure of Forward and Futures Markets (Chapter 8)
Class Periods 14 & 15: Principles of Pricing Forwards, Futures, and Options on Futures (Chp 9)
Class Period 16: Futures Arbitrage Strategies (Chapter 10)
Class Period 17 & 18: Forward and Futures Hedging, Spread, and Target Strategies (Chp 11)
Class Period 19: Swaps (Chapter 12)
Class Period 20: Review for Test 2
Class Period 21: Test 2

Third Test Material

Class Period 22: Interest Rate Forwards and Options (Chapter 13)
Class Period 23: Advanced Derivatives and Strategies (Chapter 14)
Class Periods 24, 25, & 26: Financial Risk Management Techniques and Applications (Chapter 15)
Class Period 27: Managing Risk in an Organization (Chapter 16)
Class Period 28: Review for Test 3
Class Period 29: Test 3 (Final)
Proposal for a New Course

NOTE: (1) All gray text boxes must be completed (even if you just put N/A into them), otherwise the committee must consider the form incomplete.

NOTE: (2) If the new course is to be accepted as fulfilling General Education requirements, a separate approval must be done through the General Education Committee.

Contact person Justin D. Benefield Email address benefieldj@cofc.edu Phone 953-1992

1. Department: Economics and Finance

2. Course number and title: FINC 415 - Advanced Business Finance
   Number of Credits: 3   Total hrs/week: 2.5

   Lecture: ☒ Lab: ☐ Recitation: ☐ Seminar: ☐

   For Independent study courses:
   Research: ☐ Field experience: ☐
   Clinical Practice: ☐ Internship: ☐
   Practicum: ☐ Independent Course Work: ☐

3. Semester and year when course will first be offered:
   Spring 2013

4. Catalog Description (please limit to 50 words):
   Study of the decision process and analytical techniques used in evaluating corporate investment and financing decisions. Use of appropriate financial software is required, and pertinent corporate finance teaching cases are used as an instructional tool. Topics include working capital management, mergers and acquisitions, bankruptcy and reorganization, lease analysis, financial management in the non-profit sector, and real options.

5. CIP Code: 52.0801 (This code must be determined for new courses. The codes can be found at http://nces.ed.gov/ipeds/cipcode/. If you are not sure what code to use, please consult with the Institutional Research).

6. Check if appropriate: ☐
   This course will be cross listed with: N/A
   Rationale for cross listing: N/A
   Please attach letters of support from the chairs of each department indicating that the department has discussed the proposal and supports it.

7. a) Could another department or program also be a logical originator of this course (i.e. History of American Education could originate in both the Teacher Education and the History departments)? If yes, what department/program? Please contact the department chair/program director and request a note or email that they are aware of the proposed

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Proposal for a New Course

new course and include that note with the proposal.
N/A

b) Please explain overlap with any existing courses.
N/A

8. Prerequisites (or other restrictions):
FINC 303, FINC 315.

9. Rationale/justification for course (consider the following issues):

a) What are the goals and objectives of the course?
The primary objective of Advanced Business Finance is to provide students with a working knowledge of the tools and analytical conventions used in the practice of corporate finance. The emphasis is on establishing an understanding of the elements of financial theory to be used in the application of analytical reasoning to business finance problems. The content of this course integrates both conceptual and mathematical information. Cases, comprehensive problems, and current global events are analyzed and discussed throughout the course to provide students with hands on experience in the use and application of financial tools.

The basic concepts of capital structure decisions, risk analysis, time value of money, capital budgeting, and working capital management are covered. Students will learn how capital markets function and how corporations evaluate and manage security allocation. Working capital management, leverage, forecasting, and the analysis of financial statements and ratios are given particular attention. This course provides students with basic financial math skills and an introduction to excel spreadsheet analysis.

b) How does the course support the mission statement of the department and the organizing principles of the major?
The Department of Economics and Finance does not have a mission statement. However, with regard to the organizing principles of the major, we are designing the program to provide students with a basic understanding of the major areas of finance (corporate, investments, and institutions). In addition, students may choose to specialize their coursework somewhat by taking additional courses in one of those three areas. This course, FINC 415, helps to satisfy the second criterion by allowing students to focus, if they so choose, on the area of corporate finance. The Advanced Business Finance course allows for coverage of topics that cannot be adequately addressed in the Intermediate Business Finance course. It also introduces case studies as a valuable tool for analyzing the complex operations of the modern corporation.

10. a) For courses in the major, how does the course enhance the beginning, middle, or end of the major?
Proposal for a New Course

This is an important course for students to take towards the end of their program of study. The course will assume a more comprehensive knowledge of business finance (given the FINC 303 and FINC 315 prerequisites) and build on the skill sets learned in those classes. Coverage of topics likely to be included in this third corporate finance course gives students an advantage over students with only two semesters devoted purely to corporate finance. In addition, the third corporate finance course provides an opportunity to apply the knowledge from all three corporate finance courses in more real-world scenarios by case studies of real firms.

b) For courses used by non-majors, how does the course support the liberal arts tradition including linkages with other disciplines: We do not anticipate substantial non-major participation in the course. However, students interested in pursuing a career in corporate finance will find the topic matter more interdisciplinary than a "typical" finance course. This is a result of the use of real-world case studies, which often focus not only on accounting, but also on marketing, legal issues, ethical decision-making, and global competition, among other topics.

11. Method of teaching:
   Lecture.

12. a) Address potential enrollment pattern shifts in the department or college-wide related to the offering of this course:
    This is a new course that should draw enrollment primarily from students already concentrating in finance; therefore, college-wide enrollment patterns should not be appreciably impacted.

b) Address potential shifts in staffing of the department as it relates to the offering of this course:
   The existing faculty can initially cover the program. However, as the program develops and the need to teach more sections of certain courses increases, one additional Department of Economics and Finance faculty member will be needed. We anticipate the need for this additional faculty member at the beginning of the second year of the program, most likely at the Assistant Professor level.

c) Frequency of offering:
   each fall: ☐   each spring: ☑
   every two years: ☐   every three years: ☐
   other ☐ (Explain):

13. Requirements for additional resources made necessary by this course:

   a) Staff:

This form was approved by FCC on 8/17/2010 and replaces all others.
Proposal for a New Course

The program will initially be funded and staffed by resources already allocated to the department. In the second year, an additional faculty line will be requested to accommodate anticipated enrollment growth and associated necessary additional sections of required courses.

b) Budget:
   Please see answer to 13.a.

c) Library:
   The library already has sufficient holdings for the proposed program. It is not expected that additional resources will be required above those already allocated to the department.

14. Is this course to be added to the Degree Requirements of a Major, Minor, Concentration or List of Approved Electives?
   a) ☒ yes  ☐ no

   b) If yes, complete the Change Degree Requirements form(s) and list the name(s) of the major, minor, concentration and/or list of approved electives here:
      New major in finance.

15. Paste syllabus, reading lists, or any additional documentation that can help the committee evaluate this proposal (a syllabus is mandatory).

Please see attached syllabus.
Proposal for a New Course

16. Signature of Department Chair or Program Director:

Date: 4-14-11

17. Signature of Dean of School:

Date: 4-14-11

18. Signature of Provost:

Date: 11-10-11

19. Signature of Curriculum Committee Chair

Date: 

20. Signature of Faculty Senate Secretary:

Date Approved by Senate: 

Completed form should be sent by the Faculty Senate Secretary to the Registrar. After implementation, information concerning the passed course and program changes will be provided by the Registrar to all faculty and staff on campus.

This form was approved by FCC on 8/17/2010 and replaces all others.
**FACULTY CURRICULUM COMMITTEE ADDENDUM to FCC OLD FORMS**

Contact Name: Justin D. Benefield  
Email: benefieldj@cofc.edu  
Phone: 3-1992

Department or Program Name: Economics and Finance  
School name: School of Business

- [x] New or [ ] Changed  
  COURSE -- Prefix, Number, and Title: FINC 415 – Advanced Business Finance

- [ ] New or [ ] Changed  
  MINOR -- Name and Acronym of Minor:

- [ ] New or [ ] Changed  
  PROGRAM -- Name and Acronym of Major:

**STUDENT LEARNING OUTCOMES and ASSESSMENT**

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<th>Assessment Method and Performance Expected</th>
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<tr>
<td>What will students know and be able to do when they complete the course/minor/program?</td>
<td>How will each outcome be measured? Who will be assessed, when, and how often? How well should students be able to do on the assessment?</td>
</tr>
<tr>
<td>1. Students will understand the theories behind the various approaches to working capital management, as well as how these theories are applied in practice.</td>
<td>Will be assessed via graded homework assignments, in-class quizzes, graded presentations of relevant case studies, and exams. All students in the class will be assessed on the scheduled due dates for the homework assignments, quizzes, and presentations, which happen at various times throughout the semester, and on the scheduled exam dates, which happen three times per semester. The student should be able to earn a passing average across these assessments.</td>
</tr>
<tr>
<td>2. Students will understand the main causes and consequences of bankruptcy, including the legal and ethical implications of bankruptcy and the decision to pursue reorganization versus liquidation.</td>
<td>Will be assessed via graded homework assignments, in-class quizzes, graded presentations of relevant case studies, and exams. All students in the class will be assessed on the scheduled due dates for the homework assignments, quizzes, and presentations, which happen at various times throughout the semester, and on the scheduled exam dates, which happen three times per semester. The student should be able to earn a passing average across these assessments.</td>
</tr>
<tr>
<td>3. Students will understand the most common reasons that mergers, acquisitions, and divestures occur, as well as the implications for new stock prices and the valuation methodologies used to support those new stock prices.</td>
<td>Assessments will be assessed via graded homework assignments, in-class quizzes, graded presentations of relevant case studies, and exams. All students in the class will be assessed on the scheduled due dates for the homework assignments, quizzes, and presentations, which happen at various times throughout the semester, and on the scheduled exam dates, which happen three times per semester. The student should be able to earn a passing average across these assessments.</td>
</tr>
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<tr>
<td>4. Students will demonstrate an understanding of the debate regarding dividend payout policies.</td>
<td>Assessments will be assessed via graded homework assignments, in-class quizzes, graded presentations of relevant case studies, and exams. All students in the class will be assessed on the scheduled due dates for the homework assignments, quizzes, and presentations, which happen at various times throughout the semester, and on the scheduled exam dates, which happen three times per semester. The student should be able to earn a passing average across these assessments.</td>
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</tbody>
</table>

If a course/minor, how does it align with the student learning outcomes articulated for the major, program, or general education? What program-level outcome or outcomes does it support? Is the content or skill introduced, reinforced, or demonstrated in this course? The course contributes to the development of communication skills, quantitative fluency, and intellectual innovation and creativity, which are three of the proposed over-arching student learning outcomes for the finance major. The mission of the finance program is to provide students with the intellectual and analytical tools necessary to function in the dynamic, global economy and related financial markets; a thorough understanding of the major corporate policy decisions is very helpful in achieving that goal. Some content, such as working capital management methodologies, will be introduced. Some content, such as valuation of pre-merger announcement equity securities, will be reinforced. All problem-oriented content covered will be demonstrated.
FINC 415-ADVANCED CORPORATE FINANCE
COLLEGE OF CHARLESTON
Course Syllabus
Spring – 2011

Instructor: Jocelyn Evans Ph.D.
Phone: 843-953-6405 (office); 678-438-7775 (cell)
Email: evansj@cofc.edu
Class Meets: MW 8:30 A.M- 12:00 P.M.
Office: Beatty
Office Hours: MTWR 6:00AM-8:00AM and 2:00-5:00 MW or Other Office Hours by appointment

NOTE: It is your responsibility to read, understand and abide by all of the course information and policies listed below. Failure to do so could result in you failing this course or being withdrawn from this course by your instructor or by the Finance Department. The course syllabus provides a general plan for the course; deviations may be necessary.

IMPORTANT COURSE INFORMATION

DESCRIPTION
This course provides the student with an in-depth understanding of the basic principles of business finance, with an emphasis on value-enhancing decision-making. Topics include valuation of financial instruments, risk analysis, capital budgeting, working capital management, capital structure decisions, international financial issues, and financial performance evaluation. The course relies heavily on case analysis using computer software, in addition to more traditional class lectures.

COURSE OBJECTIVE:
The primary objective of Advanced Corporate Finance is to provide students with a working knowledge of the tools and analytical conventions used in the practice of corporate finance. The emphasis is on establishing an understanding of the elements of financial theory to be used in the application of analytical reasoning to business finance problems. The content of this course integrates both conceptual and mathematical information. Cases, comprehensive problems, and current global events are analyzed and discussed throughout the course to provide students with hands on experience in the use and application of financial tools.

The basic concepts of capital structure decisions, risk analysis, time value of money, capital budgeting, and working capital management are covered. Students will learn how capital markets function and how corporations evaluate and manage security allocation. Working capital management, leverage, forecasting, and the analysis of financial statements and ratios are given particular attention. This course provides students with basic financial math skills and an introduction to excel spreadsheet analysis.

COURSE LEARNING OBJECTIVES:
1. The overall learning objective in this course is for you to develop a framework for financial analysis that will enable you make sound career and personal financial decisions, and prepare you for a career in business. This will be evaluated by completion of in-class examinations and the professor’s perception of your participation and progress in the process of becoming a viable job market candidate.
2. Theoretical/Analytical knowledge will be developed in the areas of:
   a. Working capital management
   b. Value of the firm’s assets
   c. Risk and return
   d. Financial leverage and the cost of capital
   e. Capital budgeting
   f. Dividend policy
   g. International finance

   This will be assessed by the student’s performance on in-class examinations and out-of-class homework assignments.

3. Practical competencies will be developed in:
   a. Financial statement analysis techniques
   b. Time value of money calculations
   c. Capital budgeting analysis techniques
   d. Financial planning/forecasting techniques
   e. Stock and bond valuation techniques
   f. Cost of capital calculations

   This will be assessed by the student’s performance on in-class examinations and outside-of-class homework assignments. Considerable care will be given to ask students to address extemporaneous problems pertaining to a career in the field.

SBE OBJECTIVES
Consistent with the goals of the School of Business and Economics, this course includes instruction in:

   Problem Solving Ability: The course requires extensive aptitude in comprehending and implementing strategies to solve practical quantitative problems using real-world type corporate finance situations.
   Effective Communications: Students will interact amongst their peers and with the instructor in both written and verbal form. The course requires successful completion of various written projects that will be graded on both content and presentation.
   Ethical Awareness: The course requires students understand the ethical responsibilities surrounding the corporate financial environment.
   Global Awareness: The course requires an understanding of international implications relative to all advanced corporate finance topics. Attention will be devoted to the differences in making financial decisions in different areas of the world.

TEXT and MATERIALS
- Corporate finance by Jonathan Berk and Peter DeMarzo, Pearson Addison-Wesley Publishers
- Case Studies in Finance by Bruner, Eades and Schill, McGraw Hill Irwin
- MyFinanceLab
- Financial Calculator- Texas Instruments BA II Plus (preferred)

STUDENT RESPONSIBILITY:
Textbook chapters to read before the day that topic is covered in class, are listed in the course outline. Be sure to refer to the outline that corresponds to the class days for the course you attend. The Textbook has been designed as a self-directed learning guide. It is the responsibility of each student to know and understand the subject matter covered in each Textbook chapter whether or not the specific
material is covered in class. Additionally, each student is responsible to know how to solve, before each scheduled exam, all of the assignments and problems listed in the course outline for all of the chapters covered in that exam.

ATTENDANCE:
Each student is expected to attend ALL scheduled class meetings for the entire duration of the class meeting. An attendance sign-up sheet may be circulated each class period. It is your responsibility to sign the attendance sheet. If you do not sign the list, you will be considered absent. (See the note on academic honesty below). The attendance sheet may be circulated at any time during the class period (at the beginning of class, at the end of class, or in the middle of class) and may even be circulated twice during the same class period. If you do not sign the attendance sheet when circulated or if you do not sign the attendance sheet both times it may be circulated during a given class period, you will be considered absent. Students that have two or more absences in a three week period will be withdrawn from the course for excessive absences. Students arriving late may be permitted to sign the sheet only at the discretion of the instructor.

An absence from class for any reason (job conflict, illness, appearance in court, transportation problems, travel, athletic event, etc.), even if permitted and/or excused by your instructor, will count as one of the class absences against the three-week equivalent cumulative limit specified above. If a student is withdrawn for excessive absences, a final grade of WF will be assigned. There will be no exceptions to this policy!!!

ACADEMIC HONESTY:
The College of Business Administration adheres strictly to the University’s policy on academic honesty as contained in the Academic Regulations section of the College of Charleston Honor Code in the Student Handbook. Any student found copying during exams or quizzes, signing someone else’s name to the attendance list, using stored formulas in programmable calculators, using non-authorized formula sheets or other notes during exams, collaborating on and/or copying the course project (including from students in prior classes), or the like will receive an F for the course and possibly be subject to additional University disciplinary action.

GRADE WEIGHTS:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>90% and above</td>
<td>15%</td>
</tr>
<tr>
<td>B+</td>
<td>87%-89.9%</td>
<td>20%</td>
</tr>
<tr>
<td>B</td>
<td>80%-86.9%</td>
<td>10%</td>
</tr>
<tr>
<td>C+</td>
<td>77%-79.9%</td>
<td>15%</td>
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<tr>
<td>C</td>
<td>70%-76.9%</td>
<td>10%</td>
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<tr>
<td>F</td>
<td>Below 70%</td>
<td>30%</td>
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</tbody>
</table>

EXAMS ONE:
The exam will be given on the days listed in the course outline. “Students must be present for announced quizzes, laboratory periods, or final examinations unless the reasons for the absences are acceptable by the professor.” A student who cannot attend a mid-term examination during the term must comply with the following guidelines:

A formal request for permission to be absent from the examination should be submitted to the instructor in advance of the examination if possible. If circumstances preclude permission in advance, a formal request for an excused absence must be submitted to the instructor on or before the 7th day following the date of the missed examination. A formal request for advance
permission to be absent or to excuse an absence that has already occurred must take the form of a letter to the instructor supported by additional written documentation of the conflicting situation that interfered with attendance at the examination. For example, job conflicts are to be documented by a letter on company stationary from a supervisor; military reserve conflicts are to be documented by a copy of orders to duty on the conflicting date; health conflicts are to be documented by the written statements of a health professional; conflicts because of attendance to funerals or weddings are to be documented by copies of obituaries or wedding invitations.

**NO “MAKEUP” EXAMINATIONS DURING THE TERM WILL BE GIVEN IN THIS COURSE.**
If either Exam One or Exam Two is not taken as scheduled and the absence from that examination is permitted in advance or excused by the fact by the instructor, the grade weight of the missed examination will be transferred to the final exam. Thus, if Exam One or Exam two is missed, the grade weight of the final exam will be 50 percent. If the instructor does not permit or excuse an absence from the examination discussed above, an examination score of “0” will be assigned. Your instructor can only permit or excuse an absence from Exam One or Exam Two, but not both. Absence from any examination, even when permitted or excused will count as one of the class absences against the three-week equivalent cumulative limit specified in the previous section on “Attendance.”

**QUIZZES AND ASSIGNMENTS:**
Quizzes may be given at any time throughout the semester (announced or unannounced) at the discretion of your instructor. **Missed Quizzes will be made up with an end-of-semester bonus quiz.** If you miss more than one quiz, you will not be able to recover all missed points with this one-time bonus. So please make it a point to be in class and on time at every class meeting.

**HOMEWORK:**
There are Assignment problems at the end of most chapters in the Textbook. Certain of these Assignment problems may be due (at my discretion) at the beginning of class throughout the semester – see course outline for when you are to have completed the assignment. For each Assignment due, you are to record your worked out solutions to each question and highlight your final answer with a highlight marker (or draw a box around your final numerical answer). If you fail to turn in an Assignment problem when due or fail to show your work and/or highlight your final numerical answer, you will receive a grade on that particular assignment of zero. The assignments may not be taken up for grading, but it is highly recommended that you complete them as they will provide a good indication of what to expect on tests. **Collected homework solutions will count as an individual quiz grade.**

**CASE PRESENTATIONS:**
Case problems are assigned for several chapters. These are due the week following the completion of the chapter. I will randomly select a few students each week to grade their cases. Cases will be discussed in class when the assignment is due.

**CASE DISCUSSION CONTRIBUTION:**
Students will be randomly called on and should voluntarily contribute to the Case Discussions throughout the course. Grading will be based on preparedness to answer the questions and ability to offer additional insight into the case issues.

**FINAL EXAM:**
The final exam will cover all chapters since Exam 2. A student who cannot attend the scheduled final examination of this course must submit a formal request for permission to be absent from the
examination. If circumstances preclude permission in advance, a formal request for an excused absence must be submitted to the instructor on or before the 7th day following the date of the missed examination. Acceptable documentation is outlined in the section “Exams One and Two” on page 4.

WITHDRAWAL:
Grades at withdrawal are determined in strict compliance with policies stated in the General Catalog. A grade of “W” indicates that a student, doing passing work, was permitted to withdraw. A grade of “WF” will be used in any of the following: (1) A student doing failing work withdraws from the course; (2) A student, although doing passing work, withdraws from the course after the midpoint of the term and does not qualify for personal emergency or health hardship status as determined by the Dean of Students; or (3) A student doing either passing or failing work, is withdrawn by the instructor for excessive absences.

GENERAL RESPONSIBILITY:
You are responsible for knowledge of any administrative announcements (test information, schedule changes, etc.) that are made at any time during scheduled class periods regardless of whether you are in attendance. (If you are absent, ask a classmate to keep you informed).

<table>
<thead>
<tr>
<th>Session</th>
<th>Preparation</th>
<th>Chapter</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Introduction to Financial Management</td>
<td>1</td>
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<tr>
<td></td>
<td>Financial Statements, Cash Flow, and Taxes</td>
<td>2</td>
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<tr>
<td></td>
<td>Analysis of Financial Statements</td>
<td>2</td>
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<tr>
<td></td>
<td><strong>January 12, 2011</strong></td>
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<tr>
<td></td>
<td>Homework Problems in class</td>
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<tr>
<td>2.</td>
<td>Time Value of Money</td>
<td>4</td>
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<td></td>
<td>Arbitrage and Financial Decision Making</td>
<td>3</td>
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<tr>
<td></td>
<td>Appendix</td>
<td></td>
</tr>
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<td></td>
<td><strong>January 19, 2011</strong></td>
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<tr>
<td></td>
<td>Homework Problems in class</td>
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<tr>
<td>3.</td>
<td>Interest Rates</td>
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<tr>
<td></td>
<td>Continuous Rates and Cash Flows-Appendix</td>
<td>12</td>
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<tr>
<td></td>
<td>Opportunity Cost of Capital</td>
<td></td>
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<tr>
<td></td>
<td>Estimating the Cost of Capital</td>
<td></td>
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<tr>
<td></td>
<td><strong>January 24, 2011</strong></td>
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<tr>
<td></td>
<td>MyFinanceLab Chapters 1 and 2 due</td>
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<tr>
<td></td>
<td>Homework Problems in class</td>
<td></td>
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<tr>
<td></td>
<td>Group 1: Present Warren E. Buffett (Case 1)*</td>
<td></td>
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<td></td>
<td>Group 2: The Financial Detective 2005 (Case 6)*</td>
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<td>4.</td>
<td><strong>January 26, 2011</strong></td>
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<tr>
<td></td>
<td>MyFinanceLab Chapters 3 and 4 due</td>
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<tr>
<td></td>
<td>Homework Problems in class</td>
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<td></td>
<td>Group 3: Krispy Kreme Doughnuts (Case 7)*</td>
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<tr>
<td></td>
<td>Group 4: Ben &amp; Jerry’s Homemade (Case 3)*</td>
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</tbody>
</table>
Midterm Exam 1 (Chapters 1-4 and 12)
January 29, 2011

Interest Rates
Capital Budgeting

January 31, 2011
MyFinanceLab Chapters 5 and 12 due
Homework Problems in class

Advanced Capital Budgeting
February 2, 2011
MyFinanceLab Chapters 6 due
Homework Problems in class
Group 1: Best Practices (Case 13)*
Group 2: Nike Inc (Case 14)*

Bond Valuation
February 7, 2011
MyFinanceLab Chapter 7 due
Homework Problems in class
Group 3: Teletech Corporation 2005 (Case 15)*
Group 4: The Boeing 7E7 (Case 16)*

Midterm Exam 2 (Chapters 5-8)
February 9, 2011

Stock Valuation
Capital Markets and Risk Pricing
February 14
MyFinanceLab Chapter 8 due
Homework Problems in class
Group 1: Methods of Valuation for Mergers (Case 41)*
Group 2: Arcadian Microarray Technology (Case 42)*

Payout Policy
Valuation and Financial Modeling
February 16, 2011
MyFinanceLab Chapters 9 and 10 due
Homework Problems in class
Group 3: Gainsboro Machine Tools (Case 26)*
Group 4: EMI Group (Case 27)*

FINAL EXAM
February 21, 2011
SNAP Services

This College abides by section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act that stipulates no student shall be denied access to an education “solely by reason of a handicap.” Disabilities covered by law include, but are not limited to, learning disabilities and hearing, sight or mobility impairments. If you have a documented disability that may have some impact on your work in this class and for which you may require accommodations, please see an administrator at the Center of Disability Services, (843) 953-1431 or me so that such accommodation may be arranged.

Honor Code and Academic Integrity

Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each instance is examined to determine the degree of deception involved. Incidents where the professor believes the student’s actions are clearly related more to ignorance, miscommunication, or uncertainty, can be addressed by consultation with the student. We will craft a written resolution designed to help prevent the student from repeating the error in the future. The resolution, submitted by form and signed by both the professor and the student, is forwarded to the Dean of Students and remains on file. Cases of suspected academic dishonesty will be reported directly to the Dean of Students. A student found responsible for academic dishonesty will receive a XF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student’s transcript for two years after which the student may petition for the X to be expunged. The student may also be placed on disciplinary probation, suspended (temporary removal) or expelled (permanent removal) from the College by the Honor Board. It is important for students to remember that unauthorized collaboration—working together without permission—is a form of cheating. Unless a professor specifies that students can work together on an assignment and/or test, no collaboration is permitted. Other forms of cheating include possessing or using an unauthorized study aid (such as a PDA), copying from another’s exam, fabricating data, and giving unauthorized assistance. Remember, research conducted and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the professor. Students can find a complete version of the Honor Code and all related processes in the Student Handbook at http://www.cofc.edu/studentaffairs/general_info/studenthandbook.html.
Proposal for a New Course

NOTE: (1) All gray text boxes must be completed (even if you just put N/A into them), otherwise the committee must consider the form incomplete.

NOTE: (2) If the new course is to be accepted as fulfilling General Education requirements, a separate approval must be done through the General Education Committee.

Contact person Justin D. Benefield  Email address benefieldj@cofc.edu Phone 953-1992

1. Department: Economics and Finance

2. Course number and title: FINC 418 - Advanced Valuation and Corporate Financial Analysis
   Number of Credits: 3   Total hrs/week: 2.5
   
   Lecture: ☒  Lab: ☐  Recitation: ☐  Seminar: ☐
   
   For Independent study courses:
   Research: ☐  Field experience: ☐
   Clinical Practice: ☐  Internship: ☐
   Practicum: ☐  Independent Course Work: ☐

3. Semester and year when course will first be offered:
   Fall 2012

4. Catalog Description (please limit to 50 words):
   This course serves as a synthesis of material taught in previous courses for finance majors. The material drawn from, and built upon, includes topics covered in the areas of investments, institutions, and corporate finance. The tool used to integrate these areas of study is advanced valuation methodology for estimating intrinsic value of firm assets and equity, which necessitates an understanding of the three major areas of finance.

5. CIP Code: 52.0801 (This code must be determined for new courses. The codes can be found at http://nces.ed.gov/ipeds/cipcode/. If you are not sure what code to use, please consult with the Institutional Research).

6. Check if appropriate: ☐
   This course will be cross listed with: N/A
   Rationale for cross listing: N/A
   Please attach letters of support from the chairs of each department indicating that the department has discussed the proposal and supports it.

7. a) Could another department or program also be a logical originator of this course (i.e. History of American Education could originate in both the Teacher Education and the History departments)? If yes, what department/program? Please contact the department chair/program director and request a note or email that they are aware of the proposed
Proposal for a New Course

new course and include that note with the proposal.
N/A

b) Please explain overlap with any existing courses.
N/A

8. Prerequisites (or other restrictions):
FINC 303, FINC 313, FINC 315, FINC 400, and senior standing.

9. Rationale/justification for course (consider the following issues):

a) What are the goals and objectives of the course?
This course provides a comprehensive synthesis of the financial theories and concepts learned in previous finance courses. The application of discounted cash flow and market comparable valuation models will be used as a platform for integrating various theoretical aspects of business plan development, financial forecasting, working capital management, sources of financing, capital budgeting, security valuation, value-based management, strategic marketing, and business ethics. This course should have wide application from small to large company environments. Special attention will also be given to valuation issues affecting smaller companies and publicly traded corporations that are affected by global competition.

b) How does the course support the mission statement of the department and the organizing principles of the major?
The Department of Economics and Finance does not have a mission statement. However, with regard to the organizing principles of the major, we are designing the program to provide students with a basic understanding of the major areas of finance (corporate, investments, and institutions). In addition, students may choose to specialize their coursework somewhat by taking additional courses in one of those three areas. This course, FINC 418, helps to satisfy the first criterion by requiring students to synthesize and apply material learned in several of the required finance courses (FINC 303, FINC 313, FINC 315, and FINC 400).

10. a) For courses in the major, how does the course enhance the beginning, middle, or end of the major?
This is an important course for students to take at the end of their program of study. It solidifies the concepts that students should have seen in FINC 303, FINC 313, FINC 315, and FINC 400 by forcing students to understand and account for the linkages between the various major areas of finance (i.e. corporate, investments, and institutions). Corporate valuation is an ideal topic to elicit the desired synthesis of knowledge, since accurate valuation of the complicated entity that is the modern corporation requires an understanding of the corporation itself, the markets in which the corporation’s securities trade (and in which the corporation trades securities), the securities that are traded in those
Proposal for a New Course

markets, and the institutions from which the corporation seeks financing.

b) For courses used by non-majors, how does the course support the liberal arts tradition including linkages with other disciplines:
Given the required prerequisites for the course (FINC 303, FINC 313, FINC 315, and FINC 400), we do not anticipate substantial non-major participation in the course. However, students who are interested in pursuing a career in finance, and who are willing to meet the prerequisites, will find that finance is more interdisciplinary than is commonly thought. For example, finance draws heavily on insights from economic theory, since that is its parent field. In addition, finance requires more than a passing understanding of accounting, as financial statements provide much of the information used in financial modeling.

11. Method of teaching:
Lecture.

12. a) Address potential enrollment pattern shifts in the department or college-wide related to the offering of this course:
This is a new course that should draw enrollment primarily from students already concentrating in finance; therefore, college-wide enrollment patterns should not be appreciably impacted.

b) Address potential shifts in staffing of the department as it relates to the offering of this course:
The existing faculty can initially cover the program. However, as the program develops and the need to teach more sections of certain courses increases, one additional Department of Economics and Finance faculty member will be needed. We anticipate the need for this additional faculty member at the beginning of the second year of the program, most likely at the Assistant Professor level.

c) Frequency of offering:
each fall: ☑ each spring: ☑
every two years: ☐ every three years: ☐
other ☐ (Explain):

13. Requirements for additional resources made necessary by this course:

a) Staff:
The program will initially be funded and staffed by resources already allocated to the department. In the second year, an additional faculty line will be requested to accommodate anticipated enrollment growth and associated necessary additional sections of required courses.

b) Budget:

This form was approved by FCC on 8/17/2010 and replaces all others.
Proposal for a New Course

Please see answer to 13.a.

c) Library:
The library already has sufficient holdings for the proposed program. It is not expected that additional resources will be required above those already allocated to the department.

14. Is this course to be added to the Degree Requirements of a Major, Minor, Concentration or List of Approved Electives?
a) ☑ yes  ☐ no

b) If yes, complete the Change Degree Requirements form(s) and list the name(s) of the major, minor, concentration and/or list of approved electives here:
New major in finance.

15. Paste syllabus, reading lists, or any additional documentation that can help the committee evaluate this proposal (a syllabus is mandatory).
Please see attached syllabus.
Proposal for a New Course

16. Signature of Department Chair or Program Director:

[Signature]

Date: 4/14/11

17. Signature of Dean of School:

[Signature]

Date: 4/14/11

18. Signature of Provost:

[Signature]

Date: 4/10/11

19. Signature of Curriculum Committee Chair

Date:

20. Signature of Faculty Senate Secretary:

Date Approved by Senate:

Completed form should be sent by the Faculty Senate Secretary to the Registrar. After implementation, information concerning the passed course and program changes will be provided by the Registrar to all faculty and staff on campus.
FACULTY CURRICULUM COMMITTEE ADDENDUM to FCC OLD FORMS

Contact Name: Justin D. Benefield  Email: benefieldj@cofc.edu  Phone:  3-1992

Department or Program Name: Economics and Finance  School name: School of Business

- New or Changed  COURSE -- Prefix, Number, and Title:  FINC 418 – Advanced Valuation and Corporate Financial Analysis

- New or Changed  MINOR -- Name and Acronym of Minor:

- New or Changed  PROGRAM -- Name and Acronym of Major:

STUDENT LEARNING OUTCOMES and ASSESSMENT

<table>
<thead>
<tr>
<th>Student Learning Outcomes</th>
<th>Assessment Method and Performance Expected</th>
</tr>
</thead>
<tbody>
<tr>
<td>What will students know and be able to do when they complete the course/minor/program?</td>
<td>How will each outcome be measured? Who will be assessed, when, and how often? How well should students be able to do on the assessment?</td>
</tr>
</tbody>
</table>

1. Students will demonstrate effective written and oral communication skills.

   A full business plan with written report will turned in to be graded and will also be presented for a grade. All students in the class will be assessed on the scheduled presentation date, which coincides with the due date for the business plan/report. The student should be able to earn a passing average across these assessments.

2. Students will be able to analyze financial statements for use in valuation and forecasting. This will necessarily include the use of appropriate statistical software packages (e.g. Microsoft Excel or Minitab).

   Analysis of existing financial statements and creation of pro-forma financial statements, as well as skills with using software to perform other types of financial analyses, will be assessed via small projects, graded homework assignments, and the final business valuation project. All students in the class will be assessed on the due dates for the projects or homework assignments, which occur at various times throughout the semester, as well as on the due date for the final valuation project, which occurs once at the end of the semester. The student should be able to earn a passing average across these assessments.
3. Students will demonstrate the ability to effectively communicate and discuss ethical issues related to finance, financial markets, and financial globalization through written papers. In-depth analysis and report of a non-US economy will be assessed by the instructor in accordance with the IFRS Paper rubrics. All students in the class will be assessed on the scheduled due date for the paper. The student should be able to earn a passing grade on this assessment.

4. Students will efficiently synthesize principles of accounting, finance, management, marketing, and economics to produce a final analysis of a real corporation to be presented to students and faculty. Synthesis of business concepts will be assessed via the final business valuation project in accordance with project rubrics. All students in the class will be assessed on the scheduled due date for the final project. The student should be able to earn a passing grade on this assessment.

If a course/minor, how does it align with the student learning outcomes articulated for the major, program, or general education? What program-level outcome or outcomes does it support? Is the content or skill introduced, reinforced, or demonstrated in this course? The course contributes to the development of communication skills, quantitative fluency, global civic responsibility, and synthesis, which are four of the proposed over-arching student learning outcomes for the finance major. The mission of the finance program is to provide students with the intellectual and analytical tools necessary to function in the dynamic, global economy and related financial markets; a thorough understanding of the complex and inter-related nature of the financial concepts seen in other finance classes, as well as the specifics of in-depth financial statement analysis, is necessary to achieve that end. Some content, such as detailed business plan creation, will be introduced. Some content, such as basic time value of money relationships and written communication skills, will be reinforced. All problem-oriented content covered will be demonstrated.
Instructor: Jocelyn Evans  
Department: Economics and Finance  
Office: Beatty 416  
Office Hours: TTH 6:00a.m.-8:00a.m. & 3:00p.m.-4:00p.m.  
Office Telephone: 843-953-6405  
E-Mail: EvansJ@cofc.edu  
Cell Telephone: (678) 438-7775  
Home E-Mail: Jevans565@aol.com, Evansj@cofc.edu

Office Hours:  
With the varied work schedules of many students, fixed office hours are generally inconvenient for students. As a result, I have set office hours and I have provided my home telephone number. If you would like to meet with me, let me know and we will arrange a mutually satisfactory time. For some students, telephone “meetings” are easier. To this end, you may call me at home at reasonable hours (i.e., before 10:00 p.m.).

Course Prerequisite: Mastery of Basic Financial Accounting and Financial Management

COURSE DESCRIPTION:  
This is a financial analysis course that uses advanced valuation technologies to estimate the market estimate of a firm’s assets and equity. The conceptual approach is to integrate your knowledge from prior business and Finance courses to help you better understand how a firm operates, how it generates value, and how that value is reflected in financial statements and in financial markets. By the end of the class, you will have a comprehensive set of valuation techniques for practical analysis. To facilitate this knowledge, you will be required to complete problems at the end of the chapter, demonstrate your understanding of both theories and practical applications in several exams, and complete a written valuation analysis for a publicly traded corporation. By the end of the course, students will have integrated general subject matter from the areas of accounting, economics, statistics, marketing, and management. In addition, students will incorporate more specific material from investment analysis, corporate finance, financial institutions, and international finance.

COURSE OBJECTIVES, COMPETENCIES AND MEASURABLE OUTCOMES:  
The course will first build upon material covered in non-Finance Business courses required by the program. Students will be expected:
1. To be able to effectively use the following tools of financial analysis to perform valuations for a publicly traded corporation: cash flow statements, financial ratios, common-size statements,
cost-volume-profit analysis, sustainable growth analysis, cash budgets, proforma financial statements, and five valuation techniques (ACCT 203, 204)

2. To analyze the value-altering influence of marketing strategies and their influence on consumer and investor interaction with the firm (MKTG 302).

3. To examine dynamic interactions of professionals and investors in the financial environment (MGMT 301).

4. To observe, examine, and calculate the effects of micro- and macro-economic influences on firm value (ECON 200, 201).

5. To employ advanced statistical techniques in quantitatively examining the influence of various internal and external influences on firm value. (DSCI 232).

In addition, the course will integrate material from the required FINC courses for the program. Students will be instructed in how:

6. To explain how to forecast sales and capital expenditures using triangulation. (FINC 303, 315)

7. To create proforma financial statements for five years and analyze the projected performance. (ACCT 203, 204, FINC 303, FINC 315).

8. To describe how to use cost-volume-profit analysis to answer questions about your business.

9. To develop critical thinking skills by completing oral and written team assignments, which will lean heavily upon the use of financial management information systems (FINC 389).

10. To examine the market value of the firm from both the investor and firm perspectives (FINC 400).

11. To examine the role of financial institutions and the environment in which they operate in the corporate valuation process (FINC 313).

In addition, students will specifically be instructed in how:

12. To incorporate analyses of real world publicly traded corporations by writing a business plan and financial feasibility study

13. To evaluate a firm’s performance from a global and domestic perspective

14. To analyze financial decisions from different ethical perspectives

The following Textbooks must be purchased:


Vault Career Guide to Finance Interviews, D. Bhatawedekhar, Dan Jacobson and the Staff of Vault

Corporate Valuation: A Guide for Managers and Investors, Phillip R. Daves, Michael C. Ehrhardt and Ronald E. Shriever, Thomson South-Western

Equity Valuation and Analysis: eVal simulation game, Russell Lundholm and Richard Sloan

Required Materials:

1. Articles from the Library.

4. Evans, Jocelyn, “A Cross Disciplinary Approach to Undergraduate Corporate Valuation Instruction”

Optional:
Because this is a case oriented course, you most likely will rely on your text books for basic background. For those who want a more sophisticated text, the following book offers detail on a variety of technical points.


Reading assignments:
The articles focus on venture financing issues. Readings will be augmented by case studies and guest lecturers.

Use of Technology:
1. This course web-based on WebCT.
2. All assignments must be typed neatly in a Word or Word Perfect (Current Version). You must also be proficient in Powerpoint for oral presentations.
3. For financial and statistical analysis, students must be proficient with an appropriate software spreadsheet programming including excel.
4. Internet sources should be used to increase student awareness of current events related to evaluation.
5. Specific assignments from the websites related to the text books will given.

CASES:
I have assigned a case for each major topic of the course. These cases provide an application of the theories presented in the readings. I will call on groups to discuss certain aspects of each case, so be prepared to discuss anything about every case. Your grade on “Case Discussions” will be a group grade based on how well your group contributes to the understanding of the case by the class. I will assign you to a group of four during the first week of class, which will stay together for the entire semester. Your group should come prepared to discuss each case, which means an analysis of the issues, made more insightful by an analysis of numbers and a written report. I recommend compiling a neat, concise set of notes for your group to support your discussion in class.

Case analysis will involve building Excel models and conducting sensitivity analysis to assumptions in support of the final recommendation. I require students to work in groups to get ready for class. Therefore, attendance and participation are an essential part of the learning process for this course. Everyone is expected to participate in class. If you have a compelling reason for missing a class, you should inform me by e-mail.

OUTLINE OF COURSE CONTENT:
Warning:
This course outline provides a general plan for the course; deviation may be necessary. Any schedule change will be announced in class, and you are responsible for the announced change regardless of whether you are in class at the time of the announcement. This includes announcements made the first night of class.

<table>
<thead>
<tr>
<th>Date</th>
<th>Day</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1/11/11</td>
<td>T</td>
<td>Introduction to Valuation and the Business Plan (Penman 1)</td>
</tr>
<tr>
<td>1/13/11</td>
<td>TH</td>
<td>Financial Statements, GAAP, IFRS (Penman 2)</td>
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<td></td>
<td></td>
<td><em>Complete Penman Chapter 1 problems</em></td>
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<td>1/18/11</td>
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<td>Multiples Valuation (Penman 3)</td>
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<td><em>Complete Penman Chapter 2 problems</em></td>
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<td><em>Turn in case M1.1</em></td>
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<td>1/20/11</td>
<td>TH</td>
<td>IFRS Paper Assignment Due</td>
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<td>Assessing risk (Appendix Penman 3)</td>
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<td><em>Turn in case M 2.1</em></td>
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<tr>
<td>1/25/11</td>
<td>T</td>
<td>Discounted Cash Flow Valuation (Penman 4)</td>
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<td><em>Complete Penman Chapter 3 problems</em></td>
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<td>1/27/11</td>
<td>TH</td>
<td>Continued (Davies 1 and 2)</td>
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<td><em>Turn in case M 3.3</em></td>
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<td>2/1/11</td>
<td>T</td>
<td>Continued (Davies 3 and 4)</td>
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<td><em>Complete Penman Chapter 4 problems</em></td>
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<tr>
<td>2/3/11</td>
<td>TH</td>
<td>Review for Exam 1</td>
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<td><em>Turn in case M 4.1</em></td>
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<td>2/8/11</td>
<td>T</td>
<td>Exam 1 Part 1</td>
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<td>2/10/11</td>
<td>TH</td>
<td>Exam 1 Part 2</td>
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<td>2/15/11</td>
<td>T</td>
<td>Historical Financial Analysis (Penman 11)</td>
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<td></td>
<td>Analysis of Profitability, Leverage, Liquidity</td>
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<td>2/17/11</td>
<td>TH</td>
<td>Continued</td>
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<td></td>
<td><em>Complete Penman Chapter 11 problems</em></td>
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<td>2/22/11</td>
<td>T</td>
<td>Continued</td>
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<td><em>Turn in case M 11.1</em></td>
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</tbody>
</table>
2/24/11 TH Proforma Analysis (Davies 5 and 6)
3/8/11 T Continued
3/10/11 TH Paper 1 Due
More Ratios (Penman 9)
3/15/11 T Review for Examination 2
Complete Penman Chapter 9 problems
3/17/11 TH Exam 2-Part 1
3/22/11 T Exam 2-Part 2
3/24/11 TH Valuation and Book Values (Penman 5)
3/29/11 T Continued Residual Earnings Valuation
Turn in case M 5.1
3/31/11 TH Abnormal Earnings Valuation (Penman 6)
4/5/11 T Paper 2 Due
Continued (Penman 7)
4/7/11 TH Continued
Turn in case M 5.1
Comprehensive Income and Equity (Penman 8)
4/12/11 T Technical Issues (Davies 8)
4/14/11 TH Free Cash Flow and Reformulated Statements (Penman 7)
Turn in case M 8.1
4/19/11 T Continued
4/21/11 TH Business Plan and Valuation Due-Final

Note: If you would like to receive a grade before the official University mailing, you may give me a self-addressed, stamped envelope or card and I will mail your grade as soon as it is ready. Grades will not be released over the telephone.

COMPUTER COMPONENT:
Knowledge of spreadsheet, database, and word processing programs is essential.

LIBRARY ASSIGNMENTS:
See course outline.

SPECIAL COURSE REQUIREMENTS:
The students in this class will work closely with the small business development center at South Carolina State University.

ATTENDANCE POLICY:
A large class participation component to your grade is necessary because this is a case oriented course. Cases do more than teach particular subject matter. They are also excellent vehicles for teaching problem solving and logical thinking. Further, case discussion develops the oral communication skills of the class. Experience indicates that a student will not develop all of these skills unless that student actively participates in class. Since the development of these skills is a major course objective, class participation is given significant weighting.

Class participation is not synonymous with attendance. It means that you are well prepared to discuss the assigned case and readings, and do so effectively. Quality is important. Asking questions in class can be a valuable learning vehicle and such questions are encouraged for that reason, but questions do not earn class participation points. Points are earned by presenting quantitative and qualitative analyses of the case situation that have the effect of moving the class towards valuable insights about the case. For example, it is not enough to simply present the values of particular ratios. You must also furnish the understanding gained from analysis of the ratios. The only way to earn points is through your verbal contributions in class. A student who attempts to avoid a poor class participation grade by not participating will simply ensure a failing grade. If you are uncomfortable with such a large portion of your grade being determined by class participation, drop the course!

METHOD OF EVALUATION AND GRADING SCALE:
Your grade will be determined by the following.

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Examination 1</td>
<td>20%</td>
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<tr>
<td>Examination 2</td>
<td>20%</td>
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<tr>
<td>Business Plan and Valuation</td>
<td>20%</td>
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<tr>
<td>Paper 1</td>
<td>10%</td>
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<tr>
<td>Paper 2</td>
<td>10%</td>
</tr>
<tr>
<td>Case Studies</td>
<td>20%</td>
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</tbody>
</table>

Make up examinations are never given. Class starts promptly at the scheduled time. If you will be unable to arrive on time, you should withdraw from the course.

Withdrawal:
Note that “W” is not automatic. You must be doing passing work. Withdrawal before the first examination does not guarantee a “W” because of the importance of class participation and the quizzes to the course grade.

Academic honesty:
It is your responsibility to read the University Policy on Academic Honesty. This document establishes clear standards for academic honesty and it will be enforced in this course. My policy is completely consistent with that document. Here is my position. A university can successfully function
only when its integrity is maintained. One important element of integrity is personal honesty. Cheating, a form of personal dishonesty, is unfair to students who do not cheat because their performance may appear relatively inferior, and it is unfair to students who do cheat because it short circuits the learning process. In short, cheating is a cancer that invades and subverts the legitimate academic process. It cannot be tolerated at any level. Consequently, my position is simple. All work must be your own. Any student found using case notes prepared by others (including students from prior classes), copying during quizzes or exams, signing someone else’s name to the attendance list, or attempting in any way to promote the work of others as his or her own will receive an F for the course. Note that a person providing assistance is equally as guilty of cheating as the recipient of the assistance. In addition, I will make every effort to see that the guilty party receives the most severe University disciplinary action appropriate. There will be no exceptions or second chances. Period.

Cross Disciplinary Application

Components of the capstone course that the authors of this article used in their work together are discussed in the appendix. The components of the course plan can be adjusted so that other disciplines can be used or modified to fit other needs.

Course Description

This course provides a comprehensive synthesis of the financial theories and concepts learned in previous finance courses. The application of discounted cash flow (DCF) and marketable comparable valuation models will be used as a platform for integrating various theoretical aspects of business plan development, financial forecasting, working capital management, sources of financing, capital budgeting, security valuation, value based management, strategic marketing, and business ethics. This course should have wide application from small to large company environments. Special attention will also be given to valuation issues affecting smaller companies and publicly traded corporations that are affected by global competition.

Specific Course Objectives, Competencies and Measurable Outcomes:

15. To be able to effectively use the following tools of financial analysis to perform valuations for a start-up business plan that each student will create: cash flow statements, financial ratios, common-size statements, cost-volume-profit analysis, sustainable growth analysis, case budgets, and pro forma financial statements.
16. To describe the accounting and recordkeeping options available to you business.
17. To explain how to forecast sales and capital expenditures using triangulation.
18. To create pro forma financial statements for five years and analyze the projected performance.
19. To describe how to use cost-volume-profit analysis to answer questions about your business.
20. To complete an application for an SBA loan or grant.
21. To develop critical thinking skills.
22. To develop oral communication and writing skills.
23. To understand the ethical implications of transparently presenting your assumptions and valuation models.
24. To analyze a firm’s financial statement using both GAAP and the International Financial Standards.

An overall objective of this course is to enable the student to integrate marketing, management, and ethical paradigms into their valuation methodologies. This approach will enable the student to
understand the opportunities, challenges, and problems confronting individuals who pursue careers in financial management. Thus, the class will magnify student’s understanding of basic and advance financial concepts within a comprehensive theoretical setting. Specifically, the focus will be on the following objectives:

1. Create a formal business plan for a publicly traded corporation and relate the firm’s value based management and marketing strategies to the assumptions underlying the valuation analysis. The strategic analysis component requires the student to know the business and its related industry.
2. Evaluate the historical and projected financial condition, i.e., performance of the company, through the use of student-created cash flow statements, financial ratio analysis, common-size and trend financial statements, cost-volume-profit analysis, and sustainable growth analysis
3. Create proforma financial statements for five years and analyze the projected financial performance for each year.
4. Explain and demonstrate how to forecast sales and capital expenditures using triangulation and other methods.
5. Describe how to use cost-volume-profit analysis to answer help assess operating risk.
6. Draw on discussions of valuation concepts and models from academic research papers to establish different structured frameworks.
7. Create several valuation models for a publicly traded company that is either financially distressed or growing rapidly. Discuss how strategic management innovations and the firm’s operating strategy affect cash flows and risk.
8. Perform a risk assessment for a small closely held firm, firms in different industries, and regulated firms.
9. Develop critical thinking skills.
10. Develop oral communication and writing skills.
11. Understand that a firm must provide good customer service in order to create long term economic financial success.
12. A firm must recruit, develop and sustain a diverse workforce in order to maintain a high level of customer service which will lead to higher revenue and cash flow.

Task Objectives
1. Business Plan-Marketing and Management
2. Historical Analysis-ratio, operating cycle and sustainable growth analysis
3. Proforma Analysis-percentage of sales approach, estimating future free cash flow
4. Sensitivity Analysis-Business Ethics
5. Discounted Cash Flow Valuation-beta, weighted average cost of capital, cost of equity, estimated growth rate
6. Market Comparable Valuation
7. Summary and Conclusion
8. Executive Summary

Examples of question that should be addressed in the business plan are presented in Table 4.

Table 4. Interdisciplinary Approach to Valuation-Sample Questions
1. How will the firm’s strengths, weaknesses, opportunities, and threats (SWOT) affect your estimates of future cash flows over the next five years? (strategic management)
2. Does the firm have a talented pool of professionals with diverse backgrounds, regions and skills? Given the recent emphasis on outsourcing and improved global competitiveness, is diversity management an important part of your firm’s goals? (organization behavior and international business)
3. How does the firm product pricing strategy affect gross profit margin? (marketing)
4. How does the product elasticity affect the firm’s revenue and unit sales? (marketing and economics) Can a firm produce higher financial results by increasing marketing efforts and relying on a strong sales culture? (marketing and organizational behavior)
5. How does the firm’s reputation regarding customer service affect customer loyalty and thus revenue and earnings stability? Does customer service matter? Is customer service correlated with lower inventory turnover? (marketing)
6. How did monetary and fiscal policy affect your estimates of required rate of return for both bonds and stocks? (economics)
7. How does the firm’s merger, globalization, or franchise strategy affect your estimate of growth estimates for cash flow and revenue with respect to new product markets? (strategic management and marketing)
8. How have technological innovations reduced the firm’s costs? (decision science)
9. Does the firm’s mission statement reflect its business units and organizational structure? (strategic management) Has the firm been involved in law suits, community complaints, or class action suits that may have ethical considerations? (ethics)

AACSB Assessment Criteria
Porter and McKibben (1988) argue that a disconnect exists between business school education and the practices that are used in corporate America. This same concern is given in a report by the AACSB according to Olian, Caldwell, Griffen, Liverpool, and Thomas (2002). They state that “business education is inadequate for preparing future business leaders ... (p 20). AACSB argues that “The most effective learning takes place when students are involved in their educational experiences. Passive learning is ineffective and of short duration. Faculty members should develop techniques and styles that engage students and make students responsible for meeting learning goals. Many pedagogical approaches are suitable for challenging students in this way-problem based learning (Schepereel and Bowers, 2006), projects, simulations, etc. (p 57).” This criteria is a response to the AACSB’s call for innovation. The goals of College of Charleston’s multidisciplinary valuation course are provided below.

Goal 1: Ethical and Diversity Awareness
Objective: Students will recognize and be able to appraise ethical dilemmas involved in business decisions and competently engage in discourse aimed at resolution of these dilemmas utilizing relevant discipline specific knowledge. Students will have to apply the business ethics concepts from strategic management (co-requisite) to the assumptions underlying their valuation models.

Implementation: Students will have to analyze the ethical decisions of corporate executives at industry, company, and analyst (student) level. For example, students would have to determine whether Arthur Anderson’s corporate governance decisions with respect to Enron Co. were appropriate.
Demonstration of Achievement: Each student will display an understanding of the ethical considerations of valuation analysis in a written report in the initial section of the critique of the company’s business plan.

Goal 2: Leadership and Global Awareness
Objective: Students will recognize and examine the global implications of business decisions while evaluating and integrating innovative applications of these implications utilizing relevant discipline specific knowledge. In order to adequately complete this component of the business plan, a student has to consider a firm’s existing and potential foreign production, product markets, factors that allow firms to lead the industry, and other pertinent issues.

Implementation: Each student will be able to identify a company’s existing and potential international and domestic competition in the comparables approach to valuation analysis. Each student will understand the cultural and international diversity issues for the geographic areas that the company operates within or for their work force. This part of the business plan will enable the student to develop an understanding of the relevant global economic, social, and political issues.

Demonstration of Achievement: The course syllabus will have an international component. Students must compute the value of a multinational firm’s stock and bonds as one of their assignments. An exam will test students’ knowledge of the theoretical issues.

Goal 3: Problem Solving Ability
Objective: Students will demonstrate critical thinking skills in identifying and evaluating problems and opportunities in the business environment and apply analytical techniques to formulate creative solutions utilizing relevant discipline specific knowledge.

Implementation: The valuation project requires the design of multiple spreadsheets to estimate firm value. The inputs for the spreadsheets depend upon the assumptions derived from the business plan (marketing and management strategic analysis) and the proforma financial statement.

Demonstration of Achievement: The student is expected to attain 70% or higher on the written and oral portions of the completed business plan and valuation analysis. Essay and advanced level quantitative problems will test the students’ knowledge of ratio analysis, cash flow projection, stock/bond valuation, cost of capital calculation, and other financial areas. Each student is required to pass the introductory accounting and economic courses as prerequisites for this course.

Goal 4: Effective Writing and Oral Communication: Practical Application
Objective: Students will be able to convey ideas through effective oral and written communication. The objective is to force the student to write a technical analysis that goes beyond the simplified valuation methodology presented in introduction to financial management text books (see Skinner, 1994).

Implementation: The student will complete a research valuation paper based upon a publicly traded corporation that is either rapidly growing or in financial distress. Individual and team assignments are a part of the class.
Demonstration of Achievement: They will write and present professional documents that are technically correct and concise as well as utilizing relevant discipline specific knowledge. Students will evaluate the performance of other students within the class. Each student will also receive a grade for the written and oral component.

Goal 5: Technological Sophistication
Objective: Students should be technologically proficient within the finance discipline.

Implementation: Students will be required to estimate the weighted average cost of capital using regression analysis over different time periods. They will use Excel and other applications to design the spreadsheets for the different valuation methodologies.

Demonstration of Achievement: The course outline will require the proficiency of certain technological skills in order to complete the assignment. Each student must complete the introductory decision science course as a prerequisite to the capstone valuation course. The data for the valuation assignment is collected from the internet. Beta must be calculated in Excel, SPSS, SAS, or some other statistics package.

Goal 6: High Level of Cognitive Learning: Improved Knowledge and Retention
Objective: Students should be able to understand and analyze complex business issues with quantitative and qualitative models. They will also be able to recommend solutions within a practical corporate setting in both oral and written formats.

Implementation: The student will be tested with embedded question on exams and valuation assignments.

Demonstration of Achievement: Students are expected to attain a 70% or higher on the comprehensive senior exit exam. ETS provides major field test for capstone courses. Students will also be required to complete the capstone course with a minimum grade of C.

Goal 7: Cross Disciplinary Knowledge and Application: Marketing, Management, and Finance
Objective: Students will develop an understanding of the theories, concepts, and skills relevant to finance, marketing, and management and how these subjects interrelate within a valuation project. Active learning should replace passive learning.

Implementation: Students will be able to apply financial theoretical knowledge such as sustainable growth's link to marketing/management sales objectives within an interdisciplinary framework.

Demonstration of Achievement: Students will also be required to complete the capstone course with a minimum grade of C.

Goal 8: Interpersonal Skills
Objective: Each student will develop the ability to work in teams and have leadership, time management, conflict management and multitasking skills. The intent is to make sure that students
can work within an organizational culture that values high expectations and requires respect for diverse talents and learning styles.

Implementation: The student will be required to collaborate with a teacher selected group for at least one assignment.

Demonstration of Achievement: Each student and the teacher will grade an individual person on leadership, team work, time management, creativity, conflict management and multitasking. The evaluations will be based on written assignments, oral presentations, business plans, and out-of-class teacher contact and meetings. Students take on a significant self-management role in this class.

IFRS Paper Assignment

The purpose of this project is to develop an in-depth familiarity with the accounting, auditing, capital markets and general business environment of a country other than the U.S. GAAP. Write a report that documents your findings. The guidelines are as follows.

Step 1: Select a country to study and get my approval in advance. Your country must have an organized and active stock exchange and an established accounting and auditing profession.

Step 2: Research the following aspects of your country:
- Briefly describe its general historical and political origins.
- What are the key forces that shaped the country’s development?
- Discuss the population, economy, government, geography, cultural and religious base
- What is different about the country?
- Are there any unusual business risks of operating within the country?

Step 3: Research the capital markets
- What kinds of exchanges (equity/debt) exist and how big are they?
- How are the exchanges regulated and monitored?
- Do the exchanges have foreign listed companies? How many? What types? Do any U.S. companies list on these exchanges?

Step 4: Research the accounting and auditing profession
- How are firms regulated?
- Is there an oversight board?
- Are there standards for education and certification?
- How is the profession regarded in society?
- What system of financial reporting standards does the country adopt?
- What are the political and cultural influences on standard setting?
- What is the official position on adoption of IFRS?

Step 5: Choose one listed company that is based in your country. Obtain its most recent annual report and related disclosures. Assess the quality of the financial reporting.
- How is it like and unlike reports for companies reporting on U.S. GAAP?
- How might the quality of the financial reporting and auditing affect investor confidence?
-Does the company have international risk?

The grading emphasis is as follows:
Quality and accuracy of writing 25%
Coverage of items to be researched 50%
Quality of insights from research 25%

Final Valuation Project Assignment

I. Is the company maximizing shareholder wealth (market value of equity) and firm value (market value of total assets)? Analysis is over a five year historical time period (2004-2008)

Descriptive
A. Mission Statement-Stated Versus Actual Activities
B. Customer Base and Market Share
C. Legal Structure
D. Size and Business Segments
E. Industry-Strength and Weaknesses of Major Competitors (SIC Code)
F. Takeover/Bankrupt Activities
G. Company and CEO History
H. Firm’s Sensitivity to the Economy (Trade Magazines)
I. Economic Outlook
J. Current Events
K. IFRS
L. Balanced Score Card
M. Ethical Issues and Concerns

Analytical Evaluation
A. Profitability for each year (Trend and Industry Analysis)
   1. Roce=NI/TE
   2. Roa=NI/TA
   3. PM=NI/Sales
   4. TAT=Sales/TA
   5. EM=TA/TE
   6. CGS/Sales; Operating Expenses/Sales; Interest Expense/Sales Taxes/Sales; Other/Sales
B. Liquidity for each year
   1. Current Ratio=CA/CL
   2. Quick Ratio=CA-Inv/CL
   3. Cash/TA
   4. AR Days
   5. AP Days
   6. Inv Days
C. Default Risk for each year
1. TL/TA
2. STD/TL
3. TIE=EBIT/Interest Expense
4. Cash flow Ratios in a finance book
D. Market Ratios
1. Market to Book Value of Equity
2. Market to Book Value of Assets
3. P/E Ratios: Trailing and Forward
4. EBIT/Debt + Market Value of Equity
5. Stock Price
6. EPS

E. Financing
1. Required Rate of Return based on CAPM-Beta, 10 year treasury return, Market Portfolio Return
2. Average Cost of Debt (coupon rates are the required rate of return on debt)
3. Tax Rate
4. WACC

III. Building Blocks for Fundamental Valuation Analysis
A. Proforma Analysis: Projections of Future Cash Flows
1. NI + Depreciation
2. NOPAT=EBIT (1-Tax Rate)
3. Operating Capital
4. Free Cash Flow from Assets; Free Cash Flow to Equity
5. Compute the Market Value of Assets using the Discounted Cash Flow, Dividend Growth Model and Comparables Approaches
6. Compute the Market Value of Equity Assets using the Discounted Cash Flow, Dividend Growth Model and Comparables Approaches
7. Use Section to analyze the ratios and market/book values for the proforma period
8. Calculate Indirect Cash Flow Statements for the Proforma and Historical Periods-Why is this approach used?
9. Calculate the unlevered Betas from the levered Betas for your firm and its peers
12. Recalculate levered Betas based upon your proforma balance sheets
13. Use OLS regression to model and estimate the Beta for your firm over different time periods
14. Recalculate the market value of equity with your new Betas
15. Compare your estimated market value equity under each approach to the latest stock price. Is your stock under or over valued?