Accounting and Finance – EBGN 540 – A

Instructor: Dr. Becky Lafrancois (Dr. L or Professor L)  
email: blafranc@mines.edu
Office: 110 Engineering Hall  
Office Phone: 303-384-2191
Office Hours: 11-12 Monday and Wednesday; 1:30-3:30 Tuesday; 8-9 Friday; or by appointment*

*You may schedule appointments outside of office hours through email.

Class Meetings: MW 12:30-1:45PM  
Class Location: Alderson Hall 151

Course Web Pages: Canvas and McGraw Hill Connect (integrated into Canvas)
Instructional Activity: 3 hours lecture  
Semester Hours: 3

Course Description

This course presents and introduction to Accounting and Financial Management. Accounting is the systematic and comprehensive recording of financial transactions pertaining to a business. Accountants help firms to report these transactions to their shareholders, debtors, regulators, and other interested parties through the preparation of financial statements. This course will focus on how to read and interpret financial statements, and how to use these statements to evaluate firm performance.

Corporate finance seeks to plan, organize, control, and monitor a firms financial resources with the mindset to achieve organizational goals and objectives. Two key areas within corporate financial management are investing and financing. This course will spend time focusing on both the investment and financing decisions made by firms.

Prerequisites: n/a

Required Materials


Textbook/ebook – Principles of Corporate Finance (13th Edition) by Brealey, Myers, and Allen

Other Readings – Wall Street Journal Student Subscription

You are expected to complete the assigned chapter readings and take notes on these chapters prior to class. Due to the nature of the course, class time will not be used to present basic definitions. I will expect that you are aware of the basic definitions prior to class and I will use class time to provide examples and build upon the basics.
Student Learning Outcomes

At the end of the course, students will:

- Explain why the goal of the firm is value maximization
- Read and analyze financial statements
- Evaluate firm performance using financial ratios
- Discuss the relationship between risk and return
- Explain factors that lead to investment risk
- Use the capital asset pricing model to determine a firm’s cost of equity
- Calculate the firm’s weighted average cost of capital
- Evaluate a firm’s investment options using Net Present Value and other investment criteria
- Explain why firms use cash flows rather than profits to evaluate investment opportunities
- Conduct a discounted cash flow analysis for a firm’s investment opportunities
- Conduct sensitivity and project analysis for potential investments
- Explain the different sources of corporate financing and how those sources change over the firm’s life cycle
- Explain how firms issue shares to the public
- Identify a firm’s capital structure
- Explain how debt financing is related to increased investment risk
- Explain how a firm determines the optimal level of debt financing
- Evaluate decisions using real or financial options

Topics Covered – additional detail in course calendar

Section 1: Introductory Materials
Section 2: Assessing a Corporation’s Financial Performance
Section 3: The Firm’s Investment Decisions
Section 4: The Firm’s Financing Decisions
Section 5: Introduction to Financial Options

Grading

Your grade in this class will be based on your overall percent average, using the following guidelines:

- A = 93-100%
- A- = 90-92%
- B+ = 87-89%
- B = 83-86%
- B- = 80-82%
- C+ = 77-79%
- C = 73-76%
- C- = 70-72%
- D+ = 66-69%
- D = 63-65%
- D- = 60-62%
- F = below 60%

These guidelines are subject to change, but if you score in the stated range you are guaranteed at least the corresponding grade.

Grades will be posted on Canvas. I cannot guarantee that the grade on Canvas is completely accurate until the end of the semester. If you ever need confirmation of your current course grade, please ask.
Summary of Course Components and Grading

Components:
1. Homework and Online Homework 10%
2. Wall Street Journal Wednesdays 5%
3. Semester Project 25%
4. Exams 60%

Grievance Procedure: Anyone feeling that a dispute exists after the grading of any assignment or exam may submit a written grievance. The grievance should identify the item in dispute and arguments supporting the student’s position. Grievances must be submitted in writing within two class periods following the return of the assignment or exam. I will return a written response within two class periods after receipt.

Grading Components

Homework Problems and Online Homework – 10% of final grade
Most homework assignments will be conducted using the Connect online learning system. Due dates will be announced in class and posted on Canvas. There may be other homework assignments that are submitted in class or on Canvas.

Wall Street Journal Wednesdays – 5% of final grade
You will be expected to read the Wall Street Journal on a regular basis to better understand how the theory of finance relates to day-to-day financial analysis and reporting. For the WSJ Wednesday assignment, you will work in a team of 3 students to select a recent (no more than 2 weeks old) article from the WSJ, and your team will lead a 6-7 minute discussion of the article. Team formation and sign ups for dates will happen after Census day.

Semester Project – 25% of final grade
There will be two components to the semester project. You and a partner study a firm for the entire semester and apply many of the concepts that we study to that firm. You will form a group that will collectively prepare an industry analysis, and present your analysis at the end of the semester. Grading will be based on instructor and peer evaluations. Much more detailed information will be provided in the assignment instructions.

Due Date for Firm Analysis: November 13
Due Date for Industry Analysis: December 2
Presentation Dates: December 2 and 4

Exams – 30% each – 60% of final grade
The exams will be comprised of both multiple choice and short answer questions, mostly focused on problem solving and analysis of financial information. You will be allowed to bring a note sheet to each exam.

Exam Dates: October 9 and November 25
Course Attendance Policy

Please be familiar with the Attendance Policy for the Colorado School of Mines:
http://inside.mines.edu/Student-Absences

Lectures: Failure to attend and participate in in-class assignments and activities will count negatively toward your course score. I expect students to regularly attend and participate in class. If you miss a class, it is your responsibility to get any notes and assignments. It is up to you to master the subject matter of the course and to demonstrate the ability to use the tools covered at an acceptable skill level. Exams: The dates of exams are indicated on this syllabus. Please mark your calendars early. I generally do not offer make-up exams, unless there are extenuating circumstances.

Late Coursework Policy

Late assignments will not be accepted. Please plan accordingly to assure you complete your work by the stated due date and time.

Coursework Return Policy

In-Class Assignments – In-class assignments will be graded and returned within one week.

Exams - Exams will be graded within one week and will be available for review in class. Students will not be permitted to keep exams, however they will be available for review in the professor’s office.

Students with Disabilities

The Colorado School of Mines is committed to ensuring the full participation of all students in its programs, including students with disabilities. Colorado School of Mines complies with all federal and state laws and regulations regarding discrimination, including the Americans with Disabilities Act of 1990. If you are registered with Disability Support Services (DSS) and I have received your letter of accommodations, please contact me at your earliest convenience so we can discuss your needs in this course. For questions or other inquiries regarding disabilities, I encourage you to visit disabilities.mines.edu for more information.

If you have a disability have not registered with Disability Support Services and need a reasonable accommodation for equal access to education or services at Colorado School of Mines, please contact the Disability Services Office at 1770 Elm St. – Wellness Center 209, by calling 303-273-3297, or emailing Marla Draper mdraper@mines.edu. If you have a disability that could affect your performance in this class or that requires an accommodation under the Americans with Disabilities Act, please see me as soon as possible so that we can make appropriate arrangements.

Policy on Academic Integrity/Misconduct

The Colorado School of Mines affirms the principle that all individuals associated with the Mines academic community have a responsibility for establishing, maintaining an fostering an understanding and appreciation for academic integrity. In broad terms, this implies protecting the environment of mutual trust within which scholarly exchange occurs, supporting the ability of the faculty to fairly and effectively evaluate every student’s academic achievements, and giving credence to the university's educational mission, its scholarly objectives and the substance of the degrees it awards. The protection
of academic integrity requires there to be clear and consistent standards, as well as confrontation and sanctions when individuals violate those standards. The Colorado School of Mines desires an environment free of any and all forms of academic misconduct and expects students to act with integrity at all times.

Academic misconduct is the intentional act of fraud, in which an individual seeks to claim credit for the work and efforts of another without authorization, or uses unauthorized materials or fabricated information in any academic exercise. Student Academic Misconduct arises when a student violates the principle of academic integrity. Such behavior erodes mutual trust, distorts the fair evaluation of academic achievements, violates the ethical code of behavior upon which education and scholarship rest, and undermines the credibility of the university. Because of the serious institutional and individual ramifications, student misconduct arising from violations of academic integrity is not tolerated at Mines. If a student is found to have engaged in such misconduct sanctions such as change of a grade, loss of institutional privileges, or academic suspension or dismissal may be imposed.

- The complete policy is online.

**Discrimination and Harassment**

This course and all learning opportunities at Mines require a safe environment for everyone to be productive, develop professional practices, and to be able to share and learn without fear of discrimination or harassment. **Discrimination or harassment of any type will not be tolerated.**

Sometimes harassment is unintentional, but regardless of intent the instructor will address any language or behaviors that might discriminate, stereotype, or promote harassment. If you witness discrimination or harassment of others, please bring it to the attention of Mines faculty so it can be addressed immediately.

Title IX is a federal law that protects individuals from discrimination based on sex and gender in educational programs or activities. Mines takes its Title IX obligations seriously and is committed to providing a campus community free from gender-based discrimination. Gender-based discrimination, including sexual harassment, sexual violence, stalking, and domestic violence, is prohibited within the Mines campus community. If these issues have impacted you or someone you know, you can appropriate resources here: [http://inside.mines.edu/POGO-Title-IX](http://inside.mines.edu/POGO-Title-IX). You can also contact the Mines Title IX Coordinator, Camille Torres, at 303.384.2558 or titleix@mines.edu for more information.

**CARE @ Mines**

Living, learning, and working at Colorado School of Mines can cause stress and may be a reason that someone is displaying distressed or disruptive behavior. Mines is committed to providing a safe and supportive environment for all members of the campus community. The CARE Team at Mines provides assistance to the campus community to help access and find solutions for managing these difficult situations.

The CARE at Mines website (care.mines.edu) provides information on campus and community resources that are available. Distressed and disruptive behavior usually includes a change in a person’s performance, appearance, or emotional state and may be symptomatic of a person’s inability to manage personal or emotional difficulties. Behaviors may include:
• Sleep disturbances (too much or too little)
• Class attendance or participation issues
• Change in personal hygiene
• Altered performance in academic/organization pursuits
• Difficulty making decisions
• Heightened emotional response
• Over dependence on others
• Self-harm behaviors (cutting, burning)
• Expressed suicidal thoughts
• Engaging in risky behaviors that are out of character/context
• Alcohol and Drug Abuse

If you have noticed any of these behaviors or are concerned for your students, please email CARE at CARE@mines.edu or visit the care.mines.edu website to start the support process and seek assistance.

Additional suggestions for referrals for support, depending on comfort level and needs include:

• **CARE at Mines** – for various resources and options, or to submit an online “CARE report” about someone you’re concerned about (email care@mines.edu)
• **CASA** – for academic advising, tutoring, academic support, and academic workshops
• **Counseling Center** – for students to call 303-273-3377 for an appointment. There are also online resources for students on the website. Located in the Wellness Center 2nd floor at 1770 Elm St.
• **Health Center** – students may call 303-273-3381 for appointment. Located in Wellness Center 1st floor at 1770 Elm St.
• **Colorado Crisis Services** – for crisis support 24/7, either by phone, text, or in person. Colorado Crisis Services is a great confidential resource, available to anyone by calling 1-844-493-8255, or texting “TALK” to 38255. Walk-in location addresses are posted on the website.

All of these options are available for free for students. The Counseling Center, Health Center, and Colorado Crisis Services are confidential resources. The Counseling Center will also make referrals to off-campus counselors, if preferred. In an emergency, you should call 911, and they will dispatch a Mines or Golden PD officer to assist.
**Detailed Course Schedule***

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<th>Week</th>
<th>Dates</th>
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<th>Textbook Chapter</th>
<th>Assignments</th>
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<td>Course Overview</td>
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<td>The Corporation and Corporate Governance</td>
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<td>Intro to Financial Management</td>
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<td>Financial Institutions and Markets</td>
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<td>Financial Statement Analysis</td>
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<td>Valuing Firm Investment Opportunities</td>
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* Course content subject to change. All changes will be announced in class and online. It is your responsibility to stay informed of changes. This is especially important this semester because this is the first time I have taught this particular course, so I am not quite sure how the class will flow.