

Wayland Baptist University
Virtual Campus
School of Business

SYLLABUS

1. **Mission Statement:** Wayland Baptist University exists to educate students in an academically challenging, learning-focused, and distinctively Christian environment for professional success and service to God and humankind.
2. **Course:** BUAD 5302 vc01 and vc02 Foundations of Economic and Finance Theory and Practice
3. **Term:** Spring 2014 (Feb 24, 2014 – May 17, 2014)
4. **Instructor:** Dr. Charles N. Starnes
5. **Office Phone and Email:** Contact Dr. Starnes as follows:
Office 806-291-1027 Fax 806-291-1957
Email starnesc@wbu.edu Cell 806-584-5011
6. **Office Hours:** Various, Nunn Business Bldg Room NBB 110, always available by email or phone.

Open Door, Open Heart, Open Mind

7. **Class Meeting Time and Location:** Online. Check the “Assignments” Tab early each week. New assignments are generally posted on Saturday for the upcoming week.

IMPORTANT Notice: This course is taught online through Wayland Baptist University's Virtual Campus. Be sure you have carefully considered your commitment to this form of instruction. Occasionally, unusual circumstances arise. I will be flexible and try to accommodate these circumstances, but it is incumbent on you to let me know ASAP so a solution can be found.

8. **Catalog Description:** Elements of economics, finance, and quantitative methods. Transcripts evaluated to determine requirement. Students not having courses in at least two of the areas are required to take BUAD 5302 during the first or second term of enrolment in the MBA program and prior to any graduate courses having economics, finance, or quantitative methods as a prerequisite.
9. **Prerequisites:** None
10. **Required Textbook and Resources:**
 - a. “Dr. Starnes’ BUAD 5302 Bundle” consists of three texts to provide the essential background in economics, finance, and quantitative decision making. They are compiled specifically for this course by McGraw-Hill and are available only from the Virtual Campus Bookstore (<https://bookstore.wbu.edu/virtualcampus>). “Dr. Starnes BUAD 5302 Bundle” contains:
 - i. *Foundations of Economics* (excerpts from *Economics* 8e, Colander, 2010), special ISBN 9781121825581
 - ii. *Foundations of Finance* (excerpts from *Foundations of Financial Management* 14e, Block-Hirt-Danielson, 2011), special ISBN 9781121825505
 - iii. *Foundations of Quantitative Decision Making* (excerpts from *Basic Statistics for Business & Economics*, 7e, Lind-Marchal-Wathen, 2011), special ISBN 9781121825611
 - b. Statistical analysis computer program. Examples include Microsoft Excel, Word Perfect Quattro Pro, SPSS and others.
 - c. A calculator, pencil, paper, and eraser.
 - d. Internet access
 - e. **Wayland Student Email activated.** I will use email through Blackboard as the primary out-of-class communication method. Check Blackboard for information on activating your student email account.

11. Optional Materials:

- a. Financial Calculator (optional): TI BA-II Plus or the HP10BII are recommended. Any calculator that can solve Time-Value-Money problems will do.
- b. EZProxy Password for online access to Wayland Library's premium database and search features. Use of Value Line, Market Line and other business databases to support research of companies and industries. Access these sources through the WBU Library Tab on Blackboard. See the EZ Proxy information on the Wayland Learning Resource Center (Library) website.
- c. Wall Street Journal. As MBA students you need to be aware of the "newspaper of record" for business in the United States, *The Wall Street Journal*. You can get an inexpensive student subscription (normally it's about \$500/year) for \$29.95 for 15 weeks or \$99.95 for one year when you subscribe at <http://wsj.com/studentoffer>. You can do this as long as you are a student in the program. I encourage you to consider at least one subscription to the WSJ to learn of the robust information available in both newspaper and the Online Journal (you get online access included in your print subscription).

12. Course Outcome Competencies: This course will be much like a blitz! There is an exceptional amount of material for only 11 weeks. Don't worry too much whether you can manage it – see item 18.b in this syllabus for insight regarding my expectations – dozens of other students just like you have survived and emerged successful. Just take a few deep breaths and jump in – the understanding you need will be developed. This course consists of the knowledge sets of three courses. Tools will be developed and information will be provided to allow the student to:

From ECON 2307 and 2308 – Macro and Micro Economics – Weeks 1-3

Discuss the basic trade-offs faced by people, firms and nations in making choices.

Explain and apply the concept of opportunity cost.

Describe the concept of marginal analysis and its application to rational decision making.

Explain the advantages of free trade and the costs of trade constraints.

Describe the measurements of the conditions of an economy and compute macroeconomic measurements including GDP, CPI, unemployment, and inflation.

Describe the role of government in formulating economic policy and determine the impact of expansionary and contractionary monetary and fiscal policy.

Describe the role of money in the economy and define what constitutes money.

Apply the aggregate supply/aggregate demand model to fiscal and monetary policy

Explain the trade-off between inflation and unemployment.

Explain the theories of inflation and describe costs of inflation

Explain the determinants of demand and supply.

Apply the supply-demand model to price and output determination in a market.

Explain the impact of government controls on market prices.

Describe the benefits to consumers and producers through market participation.

Define externalities and describe various types and impacts on the market.

Define the four basic market types, describe their characteristics, and provide examples of each.

Explain the nature of market power exercised by the different market types.

Explain the characteristics of the labor market and the nature of wage determination under various market conditions.

Describe the impact of minimum wage and social security on the labor market.

Describe the impact of information asymmetry on the marketplace.

From FINA 3309 – Financial Management – Weeks 4-7

Identify the goals and functions of the financial manager.

Define the time value of money and compute results for single amount and annuity present and future value problems.

Construct various pro forma financial statements and use them to develop financial forecasts.

Explain working capital management.

Explain the term structure of interest rates and discuss theories of interest rate determination.

List sources and types of short-term financing and explain selection criteria.

Identify capital market instruments and their characteristics; and value stock and bond prices and yields.

Compute the cost of capital for the firm including weighted average cost of capital.

Distinguish between the three methods of capital budgeting decisions and determine ranking criteria between investment projects.

Evaluate capital budgeting decisions under differing capital constraints.

Discuss theoretical approaches to risk measurement under single asset and portfolio conditions.

Describe the capital asset pricing model.

Discuss dividend policies and their impact on the value of the firm.

From BUAD 4335 – Quantitative Decision Making – Weeks 8-11

Identify and describe four sources of data and four types of data.

Compile a set of data that will enhance data interpretation and analyses.

Describe, calculate and interpret the numerical descriptive measures.

Identify and apply principles of binomial distribution and normal distribution.

Summarize the relationship between the standard error of the mean and sample size.

Describe the sampling distribution of the mean.

Convert scores to standardized z-scores.

Calculate and interpret confidence intervals.

Formulate and test one tail and two tail hypothesis for

Sample mean vs. population mean (σ known and σ unknown)

Sample proportion vs. population proportion

Tests for differences in two means, two variances, more than two means, two or more population proportions

Calculate and apply the linear regression model.

Interpret the slope and coefficient of correlation and deduce statistical inferences.

Basic ordinary least squares regression analysis

Calculate and interpret six sigma tools.

13. Attendance Requirements:

- a. The University expects students to actively participate in the online course. There are no scheduled class meetings. All information pertaining to this course is on the virtual campus website. The Blackboard software effectively measures participation. Logging in is your attendance record.
- b. Online participation is required for course completion. Regularly accessing the course each week is expected. The Discussion Board Forum is where the students engage the material. **A minimum criterion** of three (3) substantive postings per week on the DBF is established for this course. Students must discuss with me alternatives for course completion if expected course participation cannot be met.
- c. You should plan to spend 6-10 hours per week reviewing material, providing DBF inputs, reading other student inputs, and researching issues through library and other sources.
- d. **Deadlines and Due Dates.** Whoever said, "Stuff Happens" was right. Many of you will be caught up in unforeseen circumstances (like hurricanes or maneuvers or TDY or business trips or medical emergencies or computer crashes or . . .). The nominal homework due date/time is Saturday at midnight. The new week begins on Sunday. However, there is not a dropdead specific time for the weekly assignments. I design the course for flexibility. **There are only a few hard deadlines. I will make sure these are clearly presented in the assignment instructions.** For example, the Week 1-5 discussion boards are graded as of Monday of Week 6 and the Week 6-10

discussion boards are graded on Monday of Week 11. The three exams are available for a specified time window. The course ends at Saturday midnight of Week 11, and all work must be completed by the end of course. Most of the other deadlines are soft so that the student can progress through the material smoothly. Regardless of circumstances my primary goal remains the same: "For each of you to satisfactorily complete the course." I'll work with you as much as possible so that your unforeseen circumstances don't interfere with that goal. Thanks for keeping me informed about storms, trips, and military camp outs. "Catch Up, Keep Up, Get Ahead"

- 14. Disability Statement:** "In compliance with the Americans with Disabilities Act of 1990 (ADA), it is the policy of Wayland Baptist University that no otherwise qualified person with a disability be excluded from participation in, be denied the benefits of, or be subject to discrimination under any educational program or activity in the university. The Coordinator of Counseling Services serves as the coordinator of students with a disability and should be contacted concerning accommodation requests at (806) 291-3765. Documentation of a disability must accompany any request for accommodations."
- 15. Course Requirements and Grading Criteria (Grades per WBU standard, see page 314 of 2013-2014 Academic Catalog): Check the Assignments Tab early each week – course is updated on Saturday for the upcoming week's assignments. Grade Computation:**

$$\text{Final Score} = 0.2 * \text{Econ} + 0.2 * \text{Finance} + 0.2 * \text{Quant} + 0.2 * \text{DBF} + 0.2 * \text{Homework}$$

- a. Exams:** Three exams, one for each section of the course (Economics, Finance, Quantitative Decision Making), equally weighted (20% each).
- b. Discussion Board Forum (DBF) (20%).** This is the part of the course where your understanding of economic, finance and quantitative decision making theory and practice will be developed and reinforced. It is, perhaps, the most important part of the course. Each week I will post several challenging cases or questions on the DBF. A "threaded discussion" will ensue.
1. You **must make at least 3 substantive contributions per week** to the threaded discussion. Respond to some or all of the starter questions or other responses to make at least 3 posts. Hint: More is usually better. You can either support or refute the observations or hypothesis presented. You may provide examples or references to support or refute other students' contributions. You are advised that you should guard any proprietary information, and you should neutralize such information to prevent direct association with any individuals who may be impacted by your discussion. Students are encouraged to exercise candor in discussing the issues that may arise during the course. Other questions or dilemma may be posted on the DBF, and your inputs are expected.
 2. Every student is expected to review all inputs to the DBF. You may critique or comment on any input (including those made by the instructor).
 3. The Discussion Board Forum grade is divided equally into two periods. After Week 5, I will assess a grade for your discussion participation during Weeks 1-5. After Week 10, I will assess a grade for your participation in Weeks 6-10. The average will be the DBF grade.
- c. Homework (20%).** Homework will be provided through Blackboard. Work through the problems and submit as indicated in each week's assignment. There is a homework assignment for each week (11 total). The top 9 homework scores will be used to determine this grade. Completion of more than 9 homework assignments can earn you bonus points. Each assignment earns up to 10 points. Homework is due by midnight Saturday. Late submission will result in a few points taken off.
- a. Stock Portfolio.** Beginning with Week 4 you will maintain a stock portfolio. Instructions are provided in Week 4 Assignments. You can brag about your portfolio (or moan) weekly in the DBF. Week 11 Homework will have a mandatory element for your final report.

16. Tentative Schedule: Check the “Assignments” Tab weekly.

Week	Dates	Chapters	Topics
ECONOMICS			Refer to Colander's Economics
1	Feb 24 – Mar 1	1, 2, 3, 4	Economic reasoning, production possibility model, trade and globalization, economic institutions, supply and demand. Homework.
2	Mar 2-8	9, 10, 17	International Trade Policy, Individual Choice, Real-World Competition. Homework.
	Mar 10-14	Spring Break – No work required.	
3	Mar 16-22	22, 23, 27, 28	Behavioral Economics, Microeconomic Policy, Aggregate Demand/Supply, Multiplier Model. Homework.
4	Mar 23-29		Economics Exam during Wk 4
FINANCE			Refer to Block-Hirt-Danielson Finance
4	Mar 23-29	1, 2	Functions of financial management. Accounting Review. Homework.
5	Mar 30 – Apr 5	3, 4	Financial analysis, financial forecasting. Homework. Week 1-5 DBF Grade Posted after conclusion of Week 5.
6	Apr 6-12	9, 10	Time value of money, valuation and rates of return. Homework.
7	Apr 13-19	11, 12	Cost of capital, capital budgeting decision. Homework. Finance Exam
QUANTITATIVE DECISION MAKING			Refer to Lind-Marchal-Wathen Statistics
8	Apr 20-26	NA	Basic Statistics Review. Homework.
9	Apr 27 – May 3	9, 10	Estimation and confidence intervals, one-sample tests of hypothesis. Homework.
10	May 4-10	11, 12	Two-sample tests of hypothesis, Analysis of variance. Homework. Week 6-10 DBF grade posted after conclusion of Week 10.
11	May 11-17	13, 15	Linear regression and correlation, chi-square applications. Homework. Quantitative Decision Making Exam

17. Additional Information:

- My goal is for each of you to satisfactorily complete the course. This will take a concentrated effort by each of us. Please see me early if anything occurs that might jeopardize reaching this goal. We can usually work out a solution.
- Learning in graduate school is a collaborative effort. I can learn from you just as I hope you can learn from me. Also, you'll find that your learning is directly related to your own effort. Let's see what we can do together. Remember, "Nec scire fas est omnia," "Wer viel weiss hat viel zu sorgen!" and "Iniquum petas ut æquum feras."
- This course will be much like a blitz! There is an exceptional amount of material for only 11 weeks. Don't worry too much whether you can manage it – almost everyone has succeeded before you, and you can too. Just jump in and the understanding you need will be developed.
- 2Kings 22:1-7. King Josiah and paying for the restoration of the Temple. "Give the money to the workmen. . . . But no accounting shall be asked from them for the money which is delivered into their hand, for they deal honestly."
- May God bless each of you!