



WBU Online

School of Business

**2. UNIVERSITY 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.

**3. COURSE NUMBER & NAME:**

BUAD 5302-vc01, Foundations of Economics and Finance Theory and Practice

**4. TERM:**

Winter, 2019-2020 (Nov 11.2019 – Feb 15, 2020)

**5. INSTRUCTOR:**

Dr. Charles Starnes

**6. CONTACT INFORMATION:**

Office phone: 806-291-1027

WBU Email: [starnesc@wbu.edu](mailto:starnesc@wbu.edu)

Cell phone: 806-584-5011

**7. OFFICE HOURS, BUILDING & LOCATION:**

Various, NBB 110, always available by email, phone, or text

**8. COURSE MEETING TIME & LOCATION:**

Online August 19 – November 2, 2019

**9. CATALOG DESCRIPTION:**

Elements of economics, finance, and quantitative methods. Transcripts evaluated to determine requirements. 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.

**10. PREREQUISITE:**

None

**11. REQUIRED TEXTBOOK AND RESOURCE MATERIAL:**

The textbooks are available as eBooks through Cengage Unlimited. Purchase your Cengage Unlimited access using the steps below. Cengage Unlimited gives access to all Cengage textbooks plus MindTap, online homework and supplemental materials.

Cengage Unlimited is available at three subscription levels: four months, one year, or two years.

MindTap is used for this course's homework (see items 17 and 18 for more details)

**How to get Cengage Unlimited: Watch the video and follow the instructions at <https://www.cengage.com/student-training/mindtap/blackboard/ia-no/>**

1. Head to the Blackboard home page and log in.
2. Enable Pop-Ups in your browser.
3. Click the link for your course. Go to the “Weekly Assignments” tab.
4. Click any link to Cengage content to continue the registration process. Not sure where to click? Ask your instructor or try a few. You'll know you've clicked the right one when you see the Cengage login screen.



5. **Link Your Cengage and Blackboard Accounts.** To link your Cengage account with your campus LMS account, log in using your Cengage account information.
6. You may already have a Cengage account if you’ve used *MindTap*, *CengageNOWv2*, *SAM*, *WebAssign* or another Cengage platform in a different course.
7. Don’t have a Cengage account? Create one by clicking “Create an Account.”
8. Linking your accounts is a one-time process. If you’ve previously completed this step for another course, you won’t be prompted to do it again.
9. The following textbooks are used in this course and all three (plus any other Cengage text) are provided through a single Cengage Unlimited subscription:

BOOKS	AUTHOR	ED	YEAR	PUBLISHER	ISBN#
Foundations of Economic and Finance Theory	Mankiw	8e	2019	Cengage Unlimited	978-1-337-09199-2
Financial Management: Theory & Practice	Brigham/Ehrhardt	16e	2020	Cengage Unlimited	978-1-337-90260-1
Essentials of Modern Business Statistics	Anderson/Sweeney/Williams	7e	2018	Cengage Unlimited	978-1-337-29829-2

**12. 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. *Wall Street Journal*. As MBA or MAM students you need to be aware of the "newspaper of record" for business in the United States. As long as you are a student you can get an inexpensive student subscription through the link in Announcements. I expect you to take at least one subscription to the WSJ to learn of the robust information available in both newspaper and the Online Journal (you may select print or electronic versions, print version includes the electronic online Journal).

**13. COURSE OUTCOMES AND COMPETENCIES:** This course will help the student apply Christian principles and ethics to formulate sound business and organization decisions and strategies through the use of modern business theory and best practices.

***From ECON 2307 and 2308 – Macro and Micro Economics – Weeks 1-4***

Discuss the basic trade-offs faced by people, firms and nations in making choices based on opportunity cost including the concept of marginal analysis and its application to rational decision making.

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

Evaluate and apply 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.

Explain the determinants of demand and supply and how the model explains the market and apply the supply-demand model to price and output determination in a market.

***From FINA 3309 – Financial Management – Weeks 5-8***

Summarize the function of the financial manager and related financial tools available to manage a firm's finances and build shareholder wealth.

Apply financial analysis models to measure a firm's financial strengths and weaknesses.

Explain the term structure of interest rates and apply time value of money principles to develop pro forma financial statements and capital budgeting plans.

Dissect financial securities valuations and capital structure, including various risk measurements under single assets and portfolios conditions.

***From BUAD 4335 – Quantitative Decision Making – Weeks 9-11***

Identify and describe sources and types of data, determine sampling methods.

Describe, calculate and interpret the numerical descriptive measures.

Calculate and interpret confidence intervals.

Formulate and test one tail and two tail hypothesis for sample mean vs. population mean ( $\sigma$  known and  $\sigma$  unknown) including sample proportion vs. population proportion

Apply the linear regression model and interpret results

**14. 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 Blackboard. The Blackboard software effectively measures participation. Logging in does not constitute attendance. Submitting Aplia assignments, completing examinations, and participating in the ECON, FINA, and STATS discussion boards constitute your attendance record.

- b. Online participation is required for course completion. Regularly accessing the course each week is expected. 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, completing assignments, participating in the discussion board including your discussion board posts, and researching issues through the 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 . . .). Normally homework is due Saturday at midnight. The new week begins on Sunday. Extensions to deadlines may be necessary, and you'll be informed in those instances. I design the course for flexibility. Please let me know how I can help you meet my primary goal ("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. **There are only a few hard deadlines. I will make sure these are clearly presented in the assignment instructions.** The course ends at midnight Saturday of Week 11, and all work must be completed by the end of course. Thanks for keeping me informed about storms, trips, and military camp outs. "Catch Up, Keep Up, Get Ahead"

#### 15. STATEMENT ON PLAGIARISM & ACADEMIC DISHONESTY:

Wayland Baptist University observes a zero tolerance policy regarding academic dishonesty. Per university policy as described in the academic catalog, all cases of academic dishonesty will be reported and second offenses will result in suspension from the university.

#### 16. 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.

#### 17. COURSE REQUIREMENTS and GRADING CRITERIA:

**Grades per WBU standard, see Academic Catalog: Check the Assignments Tab early each week – assignments are updated on Blackboard on Saturday.**

##### **Grade Computation:**

$$\text{Final Score} = 0.15 * \text{EconHW} + 0.15 * \text{FinaHW} + 0.15 * \text{StatHW} + 0.3 * \text{DBF} + 0.1 * \text{Portfolio} + 0.15 * \text{Final}$$

- a. **Exam (15%):** One short exam at end of course to assess your general knowledge.
- b. **Discussion Board Forum (DBF) (30%, three forums at 10% each).** The Discussion Board Forum is where you engage the material. There are **three forums: Economics, Finance, and Statistics. Make a minimum of six (6) substantive postings in each forum.** 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 forum contains several challenging cases or questions for your comments.

1. You **must make at least 6 substantive contributions per forum**. Respond to some or all of the starter questions or other 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 should guard any proprietary information neutralizing such information to prevent direct association with any individuals/organizations who may be impacted. Please exercise civility in discussing the issues that may arise during the course.
2. Every student is expected to read all posts to the DBF. You may critique or comment on any input (including those made by the instructor).
3. The DBF grade is divided equally into three periods. At the end of each period the DBF will be scored. The average of the three forum scores will be the DBF grade. Each forum is available for four weeks. Once a forum is closed no more posts will be accepted.

1. ECON forum is available Weeks 1-4
2. FINA forum is available Weeks 5-8
3. STATS forum is available Weeks 8-11

- c. Homework (45%, three segments at 15% each).** Homework will be provided using Aplia through Blackboard. There are 30 required chapter assignments broken down as follows: ECON – 13, FINA – 11, STATS – 8, plus five optional assignments. Your grade will be determined by the top 10 ECON scores, top 9 FINA scores and the top 7 STATS scores. Bonus points are earned for completing the optional assignments.
- d. Stock Portfolio (10%).** Beginning with Week 5 you will build and maintain a stock portfolio. Instructions are provided in Week 5 Assignments. Make at least four posts in the “Stock Pickers” forum in the discussion board beginning in Week 5 to brag (or moan) about your portfolio. Week 11 Assignments has a mandatory element for your final report.

**17.1 Grade Appeal Statement:** “Students shall have protection through orderly procedures against prejudices or capricious academic evaluation. A student who believes that he or she has not been held to realistic academic standards, just evaluation procedures, or appropriate grading, may appeal the final grade given in the course by using the student grade appeal process described in the Academic Catalog. Appeals may not be made for advanced placement examinations or course bypass examinations. Appeals are limited to the final course grade, which may be upheld, raised, or lowered at any stage of the appeal process. Any recommendation to lower a course grade must be submitted through the Vice President of Academic Affairs/Faculty Assembly Grade Appeals Committee for review and approval. The Faculty Assembly Grade Appeals Committee may instruct that the course grade be upheld, raised, or lowered to a more proper evaluation.”

#### 18. TENTATIVE SCHEDULE – All assignments accessed through Blackboard

Week	Dates	Chapters	Topics
ECONOMICS			Refer to Mankiw’s “Essentials of Economics”
1	Nov 11-16	1, 2, 3*, 4, 5	Principles, Thinking, Gains from Trade (*), Supply and Demand, Elasticity. <b>Homework.</b>

2	Nov 17-23	6, 7, 12, 13*, 14*	Supply-Demand Policy, Market Efficiency, Costs of Production, Competitive Markets (*), Monopoly (*). <b>Homework.</b>
	Nov 24-30	Thanksgiving holiday – no work required	
3	Dec 1-7	15, 16, 20	Measuring Nations Income, Cost of Living, Unemployment. <b>Homework.</b>
4	Dec 8-14	21, 22, 23, 24*	Monetary Systems, Money Growth and Inflation, Aggregate Demand-Supply, Monetary and fiscal Policy (*). <b>ECON DBF Grade Posted after conclusion of Week 4.</b>
FINANCE			Refer to Brigham-Ehrhardt “Fundamentals of Financial Management”
5	Dec 15-21	1, 2, 3	Overview, Financial Markets & Institutions, Financial Statements and Analysis. <b>Homework. Build Stock Portfolio.</b>
	Dec 22- Jan 4	Christmas holiday – no work required	
6	Jan 5-11	4, 5, 6	Time Value of Money, Interest Rates, Bond Valuation. <b>Homework. Stock Portfolio.</b>
7	Jan 12-18	7, 8, 9	Bond Valuation, Risk and Return, Stock Valuation. <b>Homework. Stock Portfolio</b>
8	Jan 19-25	10, 11	Cost of Capital, Capital Budgeting. <b>Homework. Stock Portfolio. FINA DBF Grade Posted after conclusion of Week 8.</b>
QUANTITATIVE DECISION MAKING			Refer to Anderson-Sweeney-Williams “Essentials of Modern Business Statistics”
9	Jan 26 – Feb 1	1, 3, 4	Data & Statistics, Descriptive Statistics, Probability. <b>Homework. Stock Portfolio.</b>
10	Feb 2-8	6, 7, 8	Probability distributions, Sampling, interval Estimation. <b>Homework. Stock Portfolio.</b>
11	Feb 9-15	9, 12, 13*	Hypothesis Test, Simple Linear Regression, Multiple Regression (*). <b>Homework. Stock Portfolio. Final Exam.</b>
NOTE: Optional (*). No homework required (ECON Ch 3, 13, 14, 24; STATS Ch 13)			

## 19. ADDITIONAL INFORMATION

- a. My goal is for each of you to satisfactorily complete the course. This will take a concentrated effort by each of us. Please contact me early if anything occurs that might jeopardize reaching this goal. We can usually work out a solution.
- b. 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.*"
- c. 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.
- d. 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."
- e. Open door, open mind, open heart. May God bless each of you!