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**FIN 370 – Financial Management - Theory and Application**  
**College of Business at Colorado State University**  
**Course Syllabus**  
**Fall 2025**

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**Professor:** Rob Schonlau, PhD  
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**Class schedule:** Tuesday/Thursday 9:30 – 10:45 am

**Office hours:** The dates and times for office hours will be posted on Canvas as an announcement during the first week of the semester. Students are encouraged to stop by my office during those times if they have questions.

**Course Objectives:**

This course is designed to extend your understanding of the theory and application of financial principles related to managerial finance. It is an intermediate course that builds on the topics you covered in FIN 300 and other introductory finance courses. The theory will be discussed during lectures and via assigned readings. Applications of the theory will be given during lectures and as part of the homework assignments.

This course has been developed to address the learning outcomes listed below. Students that do well in this class should be able to...

- Use time value of money concepts and DCF techniques to value bonds, stocks, projects, and firms.
- Explain how to find the discount rates used in DCF valuation models.
- Calculate the WACC and use it in estimating firm value.
- Describe the intuition behind relative valuation techniques.
- Use capital budgeting tools such as NPV, IRR, and Payback Period to make investment decisions.
- Discuss risk and understand how it relates to financial decisions and valuation models.
- Understand how to measure and account for inflation in financial projections.
- Discuss issues involved in working capital management.
- Understand common approaches firms use to raise capital.
- Understand the issues that managers should consider when making capital structure and payout decisions.
- Understand common reasons for mergers, and issues that managers confront as part of the merger process.

## Textbook and Other Required Items:

- *Fundamentals of Corporate Finance* by Berk, DeMarzo, and Harford 4th or 5<sup>th</sup> ed. (The online resources for this textbook are not needed for this class so you do not need to purchase a subscription to the MyFinanceLab resource that is sometimes sold with this textbook). You are welcome to buy a used copy or to use an eText version.
- Access to a computer with Excel for homework

## Suggestions for Success in FIN 370:

1. **Attend the lectures** each week. Use the lecture slides as an outline for your class notes. The slides provide an outline for your notes but they do not include all the details we will cover during lecture. Your performance on the exams will be hindered if you don't attend class.
2. **Read the assigned reading** from the textbook. You will find that your understanding of the topics covered during lecture will be enhanced if you both hear me talk about it and read the textbook's coverage of the topic. Keep current on the assigned reading. Plan to spend some time each week reading.
3. **Come to my office if you have questions.**

## Office Hours and Schedule:

Financial theory and its application are interesting but can be challenging. If you are having difficulty with the material after attending the lectures and reading the assigned readings, you are encouraged to come to my office hours. I have specific hours set aside each week to address student concerns. If you cannot come to my office hours you are welcome to email me and set up another time. Information about office hours will be posted on Canvas during the first week of the semester.

## Homework:

There will be a homework assignment due most weeks during the semester. You are welcome to talk with other students about the homework assignments, but each student needs to submit their own Canvas assignments online. The homework assignments will be available online for several days before they are due. These assignments do not have fixed time limits but they do have deadlines.

## Class Policies:

**Academic Honesty and Professionalism:** Students are expected to uphold the academic integrity standards as explained in the university's General Catalog and as summarized by the CSU Honor Pledge: "I have not given, received, or used any unauthorized assistance" on any work in FIN 370 ( <https://tilt.colostate.edu/integrity/>).

Along these lines, online “homework helper” sites including, but not limited to, Chegg, NoteHall, Quizlet, and Koofers are not permitted in this course. Students are welcome to use AI resources to learn more about specific topics in this class, but generative AI should not be used to complete the graded coursework for this class. Utilizing generative AI or homework helper sites for any graded work will be regarded as a breach of the CSU Academic Integrity Policy and Student Conduct Code. Use of these types of resources will be considered receiving or giving unauthorized assistance and, therefore, a violation of the student conduct code and may result, at the discretion of the instructor, in a zero for the course, assignment, quiz, and/or exam. This policy is intended to help ensure that you develop critical thinking and problem-solving skills independently. Please reach out to me to discuss if a specific service you are thinking about using for this course is acceptable. You are welcome to talk about homework assignments with fellow students that are currently enrolled in the course.

**Communication:** The lecture slides will be posted to Canvas each week. Communications that are of general interest to the class will also be posted as an announcement to the class. Students are expected to check the Canvas course announcements regularly each week.

**Group work:** You are welcome to talk with other students about the homework assignments, but each student needs to turn in their own Canvas assignments. In contrast to the homework assignments, the exams should be done individually without any communication with other students.

**Exams:** There are 2 midterms and a final exam in this class. These exams will be done in the classroom on the dates noted in the syllabus. The final exam will be given during the final exam week on the day and at the time assigned by the university to our class. The dates and topics covered are detailed on the schedule. The 2 midterm exams are not deliberately cumulative but some of the core ideas in the course apply in multiple settings and hence will appear on more than one exam. The final exam will have questions on post-midterm 2 material as well as questions on key concepts from earlier in the semester. These key concepts from before midterm 2 will be briefly reviewed during the last week of the semester. The exams are individual-effort only and are subject to the academic integrity requirements of Colorado State University.

**Grades:** The course grades will be calculated using the following category weights:

2 Midterms (15% each)	30%
Final	20%
Homework (~12 assignments)	43%
Participation (attendance is important)	7%

Final letter grades will be assigned using the plus/minus grading system (i.e., A+, A, A-, B+, etc.) At the end of the semester, I will apply a curve such that the average final grade in the

class will be around a B. If you have questions or concerns about the grading on an assignment or on an exam, you should write a clear explanation of your question and then include this explanation along with your answer in an email sent to me within 1-2 weeks of the grades being posted on Canvas. Don't wait until the end of the semester (or after the end of the semester) to follow up on the grading of assignments from early in the semester.

**Participation Policy and Classroom Etiquette:** Regular attendance will help you succeed in this course. Indeed, an important part of the learning in this course comes from listening to and participating in the weekly classroom discussion. For this reason, attendance will be used to measure class participation. This means that you can get 7/7 (100%) on the participation part of your grade by consistently attending the lectures and following the classroom etiquette guidelines described below. University-sanctioned absences and occasional emergencies/sickness will not count against your participation grade. You can have 2 unexcused absences during the semester and still get full credit on the participation portion of the grade. For more information on how the participation grade relates to attendance, please see the additional information posted on Canvas. Those that have excused absences should speak with me at least 2 weeks before missing a class to ensure a plan is in place to learn the material and/or to take a makeup exam as needed. I understand that life can be complicated so please talk to me if you need to miss a class, but this is the exception and generally speaking regular attendance is expected.

The class discussion is an important part of the learning in FIN 370. To maximize the learning environment during class (and to help you do well on the participation portion of your grade) I ask that you follow these guidelines:

- **Computers:** I encourage you to take notes during the lecture. Some people prefer to do this on a computer. It is fine with me if you are using your computer during class to take notes. However, it is not okay to be surfing the internet, checking email, or looking at other material during class. Please do not use your computer for any other purpose during class except to assist you in taking notes.
- **Phones:** I ask that you turn off your phones and refrain from texting during class unless there is an emergency or you are expecting a critical call from a recruiter.
- **Conversation:** I encourage active participation during the lectures. To keep the discussion orderly, please raise your hand to be called upon.

**Disability Assistance and Accommodations:** If you need accommodations for this class, I encourage you to reach out to the Student Disability Center (SDC) at 970-491-6385 (<https://disabilitycenter.colostate.edu/>) for assistance in learning what accommodations are possible. If your accommodation allows you to take the exams at the SDC, please be sure to plan ahead and schedule the exams for the same exam dates as posted on Canvas.

**Copyrighted Course Materials:** You should not share material from this course online, in print, or via other media. The course materials are the property of the instructor who developed the course. Posting course materials on external sites (commercial or not) violates both copyright law and the CSU Student Conduct Code. Students who share course content without

the instructor's express permission, including with online sites that post materials to sell to other students, could face appropriate disciplinary or legal action.

**Changes to the Syllabus or Schedule:** I reserve the right to make minor adjustments to the course, the syllabus, and the schedule during the semester. If any changes are needed, I will post the information as a class announcement on Canvas.

## Tentative class schedule:

The schedule shown below gives a tentative idea about the structure of the course. If changes are made to the schedule during the semester an updated version will be posted online. The PowerPoint slide sets will be posted online several days before each lecture.

Dates	Topics	Due dates will be posted online.	Reading
Aug 26, 28 Sept 2, 4	<b>Module 1: Financial Statement Review, Forecasting, Growth Rates</b> <ul style="list-style-type: none"> <li>- Overview of corporate finance</li> <li>- Review of financial statements and key ratios</li> <li>- Pro forma/forecasting financial statements, growth rates</li> <li>- Extended example using forecasting and growth ideas from prior lecture</li> </ul>	HW 1 (due by Sept 4)  HW 2 (due by Sept 10)	<ul style="list-style-type: none"> <li>• Skim Sections 1.1 -1.3 focusing on bolded terminology</li> <li>• Read 2.2 – 2.4</li> <li>• Skim 2.6 focusing on ratio definitions and intuition</li> <li>• Read 18.2, 18.4</li> </ul>
Sept 9, 11, 16	<b>Module 2: Review of TVM formulas, Interest Rates, Yield Curves, Inflation</b> <ul style="list-style-type: none"> <li>- Review time value of money formulas.</li> <li>- TVM applications</li> <li>- Inflation vs real calculations</li> </ul>	HW 3 (due by Sept 17)	<ul style="list-style-type: none"> <li>• Review chapters 3 and 4 as needed. You learned TVM formulas in FIN 300, but you may need to review the in-chapter examples to remember how to solve these types of problems in Excel. We will review the TVM formulas in class and go through some Excel examples.</li> <li>• Read Section 5.3 on interest rates</li> </ul>
Sept 18, 23, 25, 30	<b>Module 3: Investment Decision Rules, Capital Budgeting</b> <ul style="list-style-type: none"> <li>- Review of investment decisions rules</li> <li>- Capital budgeting topics/theory/examples</li> <li>- If there is time we will review for midterm 1</li> </ul>	HW 4 (due by Sept 24)  HW 5 (due by Oct 1)	<ul style="list-style-type: none"> <li>• Read Chapter 8 on Investment Decision Rules</li> <li>• Read 9.2 and 9.3 on Forecasting Earnings and Incremental FCFs</li> </ul>
Oct 2	<b>Midterm 1 in classroom</b>		
Oct 7, 9, 14, 16, 21, 23, 28	<b>Modules 4 and 5: Debt and equity valuation, 3 modeling approaches, discount rates</b>		<ul style="list-style-type: none"> <li>• Read Chapter 6 on Bonds, Read Section 15.3 on Bond Covenants</li> <li>• Read 7.3-7.4</li> </ul>

	<ul style="list-style-type: none"> <li>- Debt financing: bond terminology, covenants, types of debt, valuation concepts, cost of debt</li> <li>- Equity: stock terminology, 3 modeling approaches, cost of equity discussion</li> <li>- Where do estimates of the cost of debt and the cost of equity come from? Broader discussion of risk and return, systematic risk, CAPM</li> <li>- WACC</li> </ul>	HW 6 (due by Oct 15)  HW 7 (due by Oct 29)	<ul style="list-style-type: none"> <li>• Selective reading from Chapters 11 and 12</li> <li>• Read 13.1-13.3 on WACC</li> </ul>
Oct 30 Nov 4, 6	<b>Module 6: Equity and firm valuation (this module brings together the earlier discussion topics including pro-formas, modeling, FCFs, growth rates, discount rates, TVM all in the application of valuing a firm.)</b> <ul style="list-style-type: none"> <li>- Example of firm valuation</li> <li>- Valuation based on comparable firms, industry definitions</li> <li>- In-class valuation (HW 9)</li> </ul>	HW 8 (due by Nov 5)  HW 9 done together in class on Nov 6	<ul style="list-style-type: none"> <li>• Read 10.1-10.2 on Valuation</li> </ul>
Nov 11	<b>Midterm 2 in classroom</b>		
Nov 13	<b>Module 7: Working Capital</b> <ul style="list-style-type: none"> <li>- Introduction to working capital management</li> <li>- Comments on Inventory and Cash</li> </ul>	HW 10 (due by Nov 19)	<ul style="list-style-type: none"> <li>• Read Chapter 19 on Working Capital Management</li> </ul>
Nov 18, 20 Dec 2, 4	<b>Module 8: Raising Equity, Paying Dividends, Repurchases, Stock Splits, Mergers</b> <ul style="list-style-type: none"> <li>- IPOs, SEOs</li> <li>- Private equity</li> <li>- Repurchases, Dividends and Stock splits</li> <li>- Mergers</li> </ul>	HW 11 (due by Dec 3)  HW 12 (due by Dec 10)	<ul style="list-style-type: none"> <li>• Skim Chapter 14 focusing on bold terms and figure</li> <li>• Read 17.1, 17.3, 17.5</li> <li>• Read 22.1-22.4, Skim 22.5 for bolded terms</li> <li>• Read 1.4</li> </ul>
Dec 9, 11	<ul style="list-style-type: none"> <li>- Review for final exam</li> </ul>		
	Final Exam (be sure to check the university's official final exam schedule because we will use the day and time during final exam week assigned by CSU for the final exam in this class.)		