

Business Fundamentals

USC Gould School of Law
LAW-530
Fall 2020 * 1 unit

Syllabus

Instructor: Professor Michael Chasalow

Office: Room 466

Phone: (213) 740-3722

Email: mchasalow@law.usc.edu

1. Office Hours and Appointments: Office hours will be on Zoom, Wednesday, 4:00 p.m. – 5:00 p.m. However, I will also be available for appointments outside of office hours.

2. Course schedule: The course will meet on an accelerated basis in seven two-hour sessions starting the fourth week of the semester. We will not have class on September 28, 2020. Attendance is mandatory; an unexcused absence from more than one class session will result in a grade of D or F. If you are unable to attend class at the time it is given, you may watch asynchronously, but email me so that you can receive credit for attending asynchronously.

3. Grading: This course may only be taken CR/D/F. Credit will be determined primarily on the basis of an in-house, final exam. Students will be permitted to use computers on the exam.

4. Wall Street Journal: It is recommended that all students in the course subscribe to the *Wall Street Journal*. There is a special student rate, so you can get a digital subscription for \$4/month, using the following link: <http://www.wsj.com/studentoffer>

5. Assignments: Students are expected to attend and to be prepared for all class sessions, including all pre-class assignments listed below, and to complete the minimal post-class review assignments.

6. Course Objectives:

- A. To introduce first-year law students to fundamental business and financial concepts.
- B. To familiarize students with the business and financial concepts that many of their clients (and some of their professors) will probably treat as second nature, and that—to be an effective law student and lawyer—they need to know as well: concepts that are important not just to someone engaged in a transactional or commercial legal practice in a law firm but to all lawyers, whatever their specialty or the type of organization in which they work.
- C. To introduce students to concepts and principles that will ultimately enable them to intelligently analyze and discuss such topics as accounting basics; finance concepts; business entities; stocks, bonds and securities markets.
- D. To help students understand the transactions that arise in cases covered in other 1L classes.
- E. To provide a basic foundation for students in their subsequent legal studies, especially in courses on business organizations, taxation, mergers and acquisitions, and so forth, rather than to provide a comprehensive understanding of business of the sort obtained in a business school course.
- F. To demystify some of the terms and ideas that students will encounter in law school, when seeking a job with a law firm, and in practice.

Business Fundamentals

7. USC technology rental program

Attending classes online and completing coursework remotely requires access to technology that not all students possess. If you need resources to successfully participate in your classes, such as a laptop or internet hotspot, you may be eligible for the university's equipment rental program. To apply, please [submit an application](#). The Student Basic Needs team will contact all applicants and distribute equipment to eligible applicants prior to the start of the fall semester. (Students applying to this program after the start of fall semester will need to request additional information.)

8. USC Technology Support Links

[Zoom information for students](#)

[Blackboard help for students](#)

[Software available to USC Campus](#)

Business Fundamentals

COURSE SCHEDULE:

CLASS 1:

CLASS INTRODUCTION and BUSINESS ENTITIES

Pre-Class Reading:

- Class 1 Handout with optional readings will be distributed electronically before the first class session.

Topics:

- Introduction to the course
- Sole Proprietorships
- Partnerships and Limited Liability Companies
- Corporations – The principal form of public business enterprise
- Why are these entities used, and by whom?
 - Preview of liability, tax and other reasons for preferring one form to the other

CLASS 2:

FINANCIAL STATEMENTS: Balance Sheet

Pre-Class Reading:

- SEC: Beginning Guide to Financial Statements
- <https://www.sec.gov/reportspubs/investor-publications/investorpubsbegfinstmtguidehtm.html>

Post Class Review:

- ◆ Balance Sheet Worksheet

Topics:

- Intro to Accounting
 - GAAP, Auditing
- Balance Sheet
 - Historic cost, Intangibles, Liquidity, and Long/Short Term Debt

CLASS 3:

FINANCIAL STATEMENTS: Income Statement

Pre-Class Reading:

- SEC: Beginning Guide to Financial Statements
- <https://www.sec.gov/reportspubs/investor-publications/investorpubsbegfinstmtguidehtm.html>

Post Class Review:

- ◆ Income Statement Worksheet

Topics:

- Income Statement
 - Depreciation, Amortization, Cost of Goods Sold, EBIT, EBITDA, and Net Income

Business Fundamentals

CLASS 4:

FINANCIAL STATEMENTS CONTINUED: Cash Flow Statement

Pre-Class Reading:

Post Class Review:

- ◆ Cash Flow Statement Worksheet

Topics:

- Cash Flow Statement
 - Operating, Investing, and Financing Activities
- Introduction to Financial Ratios and Analysis
 - Margin Analysis
 - Tools of Financial Assessment

CLASS 5:

FINANCIAL STATEMENT ANALYSIS: Financial Ratio Analysis

Pre-Class Reading:

- <https://www.myaccountingcourse.com/financial-ratios>

Post Class Review: Financial Ratio Worksheet

Topics:

- Margin Analysis
- Liquidity Ratios
- Solvency Ratios
- Leverage Ratios
- Profitability analyses

CLASS 6:

TIME VALUE OF MONEY and VALUATION

Pre-Class Videos:

- Risk and Return:
<https://www.khanacademy.org/economics-finance-domain/core-finance/investment-vehicles-tutorial/investment-consumption/v/risk-and-reward-introduction>
- Time Value of Money:
<https://www.khanacademy.org/economics-finance-domain/core-finance/interest-tutorial/present-value/v/time-value-of-money>

Post Class Review:

- ◆ Time Value of Money and Valuation Worksheet

Topics:

- Risk and Reward

Business Fundamentals

- Time Value of Money
 - Net Present Value, Future Value, and Annuities
- Valuation
 - Cash Flow Creation and Discounted Free Cash Flows

CLASS 7:

FINANCIAL MARKETS, INVESTMENTS AND ACQUISITIONS

Topics:

- Stocks and Bonds and Public Markets
- Public vs. Private Ownership
 - Private Equity and Venture Capital
- Mergers and Acquisitions

Final Exam:

The final exam will be held during the class session following the last class. The first hour of the final exam session will be used for review; you will have an additional 2 hours to take the exam.

Business Fundamentals

Statement on Academic Conduct and Support Systems

Academic Conduct:

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Part B, Section 11, “Behavior Violating University Standards” policy.usc.edu/scampus-part-b. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, policy.usc.edu/scientific-misconduct.

Support Systems:

Counseling and Mental Health - (213) 740-9355 – 24/7 on call
studenthealth.usc.edu/counseling

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call
suicidepreventionlifeline.org

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

Relationship and Sexual Violence Prevention Services (RSVP) - (213) 740-9355(WELL), press “0” after hours – 24/7 on call
studenthealth.usc.edu/sexual-assault

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

Office of Equity and Diversity (OED) - (213) 740-5086 | Title IX – (213) 821-8298
equity.usc.edu, titleix.usc.edu

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298
usc-advocate.symplicity.com/care_report

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office of Equity and Diversity | Title IX for appropriate investigation, supportive measures, and response.

The Office of Disability Services and Programs - (213) 740-0776
dsp.usc.edu

Support and accommodations for students with disabilities. Services include assistance in providing readers/notetakers/interpreters, special accommodations for test taking needs, assistance with architectural barriers, assistive technology, and support for individual needs.

USC Campus Support and Intervention - (213) 821-4710
campussupport.usc.edu

Business Fundamentals

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

Diversity at USC - (213) 740-2101

diversity.usc.edu

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call

dps.usc.edu, emergency.usc.edu

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call

dps.usc.edu

Non-emergency assistance or information.

Help with Basic Needs

<https://studentbasicneeds.usc.edu/>

<https://studentbasicneeds.usc.edu/resources/covid-19/>

If you are experiencing food insecurity

<https://studentbasicneeds.usc.edu/resources/food-insecurity/>

If you are experiencing housing insecurity

<https://studentbasicneeds.usc.edu/resources/housing-insecurity/>

If you are experiencing financial insecurity

<https://studentbasicneeds.usc.edu/resources/financial-insecurity/>

If you need help procuring technology to perform coursework remotely

<https://studentbasicneeds.usc.edu/resources/technology-assistance/>

We realize attending classes online and performing coursework remotely requires access to technology that not all students may possess. If you need resources to successfully participate in your classes, such as a laptop or internet hotspot, you may be eligible for the University's equipment rental program. To apply, please fill out this form (see link above) and our Student Basic Needs team will partner with you to evaluate your options.