

## Course Syllabus

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**Course:** FIN 6350: Advanced Financial Management

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**Course Instructor:**

Robert Kieschnick

Office: JSOM 14.220

Phone: 972-883-6273

Email: [rkiesch@utdallas.edu](mailto:rkiesch@utdallas.edu)

Office Hours: From 2 to 5 pm on Wednesdays, or by appointment

*Special Note:* I have found that email is an effective mode of communication for most questions that students ask and so I try to respond to these as soon as I am able to do so.

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**Course Pre-requisites, Co-requisites, and/or Other Restrictions:**

FIN 6301, MECO 6303 and FIN 6306, or consent of instructor

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**Course Description:**

This course will pick up where FIN 6301 typically ends, and covers financial analysis and planning; business valuation; short-term financial management; capital structure policy; dividend policy; security design issues; mergers and acquisitions; corporate restructuring; international financial management issues; and corporate risk management issues.

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**Course Objectives:**

1. Be able to value a firm using different methodologies.
  2. Be able to evaluate different options for financing the assets of a company: their costs and their benefits.
  3. Be able to evaluate different strategies for managing the current and long-term assets of the firm.
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**Required Textbooks and Materials**

The only required text for the course is Craig Holden's "Excel Modeling for Corporate Finance," Prentice-Hall (5<sup>th</sup> edition, ISBN 978-0205987252). This text is necessary in order to complete several of the spreadsheet assignments.

There is no required textbook per se for this course. Rather, students should choose a full version finance textbook that covers all the topics listed in the syllabus. Some examples include:

- *Intermediate Financial Management (IFM)*, E. Brigham and P. Daves, Thomson South-Western (11<sup>th</sup> edition, 2013).
- *Financial Management Theory and Practice*, 14<sup>th</sup>, E. Brigham and M. Ehrhardt, Southwestern Publishing, 2013.
- *Corporate Finance*, 3<sup>rd</sup>, Berk and DeMarzo, Pearson-Prentice Hall, 2014.
- *Corporate Finance*, 10<sup>th</sup> edition, Ross, Westerfield and Jaffe, McGraw-Hill, 2013.

- *Principles of Corporate Finance, 11<sup>th</sup> edition*, Brealey, Myers and Allen, McGraw- Hill, 2014.

Note: The textbook should NOT have “Focused” or “The Core” in the title. The “Focused” or “The Core” texts contain fewer chapters and will not include some (or most) of the topics covered in this course.

Hopefully this will save you some money by being able to use the textbook you used for FIN 6301 (Financial Management), the pre-requisite course to this one, or by buying a used copy of one of these textbooks. However, please note that I will also be posting articles for you to read on Elearning as I think appropriate. Some of these will be required, and some simply recommended.

*The Wall Street Journal* is optional but **highly** recommended as we will discuss current business news as appropriate.

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### Lecture Schedule:

Below is the schedule of topics. The dates of coverage may vary due to a variety of factors, and you are responsible to keeping up with where we are in this topical order. Also, I provide suggested readings from some of the textbooks identified above (these are only keyed to the editions also identified above).

Finance 6350: Topics						
Number	Topic	Brigham and Daves	Brigham and Ehrhardt	Berk and DeMarzo	Ross, Westerfield and Jaffe	Brealey, Myers and Allen
1	Review and Assessment	1-5, 7-8, 12-13	1-6, 10-11	1-7, 9-11, 13	1-2, 4-12, 14-15	1-8, 11, 13-14, 28
2	Financial Forecasting	9	12	8, 19	3	29
3	Firm Valuation	11	7	19	18	11, 19
4	Options	6, 14	8, 26	20, 21, 22	7.3, 22, 23	10.4, 20, 21, 22
5	Capital Structure	15, 16	15	14, 15, 16	16, 17	17, 18
6	Cost of Capital	10	9	12, 18	13	9, 17
7	Raising Equity Capital	18	18	23	20	15
8	MIDTERM					
9	Shareholder Compensation	17	13, 14	17, 29	19	12, 16, 33
10	Raising Debt Capital	20, 25	20, 24	24	24, 30	23, 24
11	Additional sources of financing	19	19	25	21	25
12	Working capital management	21, 22	16	26, 27	26, 27, 28	30
13	International financial management	27	17	31	31	27
14	Risk management	24	23	30	25	26
15	Mergers, Acquisitions and Restructuring	26	21, 22	18, 28	18, 29	19, 31, 32
16	FINAL EXAM					

## Grading Policy

To evaluate how well you have mastered the material, I will evaluate your performance based upon spreadsheet assignments, directed assignments, a term project, a mid-term exam, and a final exam.

*Spreadsheet Assignments:* I will assign certain exercises from Holden's spreadsheet modeling text. You will either receive credit for the assignment or not depending on whether I determine your effort was creditable.

*Term project:* You will work with a group to study a firm during the semester. More will be said about this assignment in a separate handout. You will need to identify the group you plan to work with by the second week of class, and will be restricted to no more than 6 members.

*Mid-term Exam:* Questions on the mid-term exam will be drawn from my lectures, any additional assigned readings and class discussions. A formula sheet will be provided. Exam grades will be scaled so that the second highest score is 100.

*Final Exam:* While the final exam will focus primarily on the material covered after the mid-term exam, it must draw to some degree on the prior material. As with the mid-term exam, questions will be drawn from my lectures, additional assigned readings and class discussions. Again, I will provide you with a formula sheet. Exam grades will be scaled so that the second highest score is 100.

Using the above indicia of your mastery of the material, I will determine your grade for the course as follows. Assume that your spreadsheet assignment grade is  $X_1$ , your term project grade is  $X_2$ , your adjustment mid-term exam grade is  $X_3$ , and your adjusted score on the final exam is  $X_4$ , then I will compute your final score as  $[0.25*X_1 + 0.25*X_2 + 0.25*X_3 + 0.25*X_4]$ . Using these scores, I will assign letter grades according to the following scale: A: 90 to 100, B: 80 to 90, C: 65 to 80, F: below 65.

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## Course & Instructor Policies

**Make-up exams:** No make-up exams will be given unless pre-arranged and/or a note from a doctor is provided (or comparable evidence for car accidents, etc.). Arranging for travel prior to the final exam as an excuse to miss the scheduled final exam is unacceptable.

**Late work:** Assignments are due by the end of class on the date identified when the assignment is made. Assignments turned in after this time will not be accepted.

**Class attendance:** Expected.

**Extra credit work:** None

**Classroom behavior:** Behave as you would want me or another to behave towards you if our positions were reversed. However, should you fail to behave in a manner that I find acceptable, then do not be surprised if I ask you change your behavior or ask you to leave class. **Note: You are responsible for asking questions when you do not understand the material covered in class. I cannot help you if you do not ask for help.**

**Computation Aids:** As noted earlier, you will have a number of spreadsheet assignments that are intended to help you develop your skill at using spreadsheets to solve financial problems.

Nevertheless, as with professional certification exams, you will be only allowed to use a calculator on your exams. I recommend that if you do not already have a financial calculator that computes the internal rate of return for a sequence of cash flows, that you consider the HP-10BII, HP-12C, TI BAII Plus, or the TI BAII Plus Professional as these calculators can be used on most certification exams (e.g., CPA, CFA, etc.). If

you use a calculator, then *you will be responsible for knowing how to use it*. **You cannot use a cell phone or similar device that can store large amounts of text or send pictures as a computational aid.**

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## **Field Trip Policies**

### **Off-campus Instruction and Course Activities**

Off-campus, out-of-state, and foreign instruction and activities are subject to state law and University policies and procedures regarding travel and risk-related activities. Information regarding these rules and regulations may be found at the website address [http://www.utdallas.edu/BusinessAffairs/Travel\\_Risk\\_Activities.htm](http://www.utdallas.edu/BusinessAffairs/Travel_Risk_Activities.htm). Additional information is available from the office of the school dean. Below is a description of any travel and/or risk-related activity associated with this course.

### **Student Conduct & Discipline**

The University of Texas System and The University of Texas at Dallas have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations which govern student conduct and activities. General information on student conduct and discipline is contained in the UTD publication, *A to Z Guide*, which is provided to all registered students each academic year.

The University of Texas at Dallas administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the *Rules and Regulations, Board of Regents, The University of Texas System, Part 1, Chapter VI, Section 3*, and in Title V, Rules on Student Services and Activities of the university's *Handbook of Operating Procedures*. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (SU 1.602, 972/883-6391).

A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the Regents' Rules, university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.

### **Academic Integrity**

The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work.

Scholastic dishonesty includes, but is not limited to, statements, acts or omissions related to applications for enrollment or the award of a degree, and/or the submission as one's own work or material that is not one's own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion and/or falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings.

Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details). This course will use the resources of turnitin.com, which searches the web for possible plagiarism and is over 90% effective.

### **Email Use**

The University of Texas at Dallas recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each individual in an email exchange. The university encourages all official student email correspondence be sent only to a student's U.T. Dallas email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at U.T. Dallas provides a method for students to have their U.T. Dallas mail forwarded to other accounts.

### **Withdrawal from Class**

The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.

### **Student Grievance Procedures**

Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's *Handbook of Operating Procedures*.

In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent"). Individual faculty members retain primary responsibility for assigning grades and evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the dean will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.

Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.

### **Incomplete Grade Policy**

As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of **F**.

### **Disability Services**

The goal of Disability Services is to provide students with disabilities educational opportunities equal to those of their non-disabled peers. Disability Services is located in room 1.610 in the Student Union. Office hours are Monday and Thursday, 8:30 a.m. to 6:30 p.m.; Tuesday and Wednesday, 8:30 a.m. to 7:30 p.m.; and Friday, 8:30 a.m. to 5:30 p.m.

The contact information for the Office of Disability Services is:

The University of Texas at Dallas, SU 22  
PO Box 830688  
Richardson, Texas 75083-0688  
(972) 883-2098 (voice or TTY)

Essentially, the law requires that colleges and universities make those reasonable adjustments necessary to eliminate discrimination on the basis of disability. For example, it may be necessary to remove classroom prohibitions against tape recorders or animals (in the case of dog guides) for students who are blind. Occasionally an assignment requirement may be substituted (for example, a research paper versus an oral presentation for a student who is hearing impaired). Classes enrolled students with mobility impairments may have to be rescheduled in accessible facilities. The college or university may need to provide special services such as registration, note-taking, or mobility assistance.

It is the student's responsibility to notify his or her professors of the need for such an accommodation. Disability Services provides students with letters to present to faculty members to verify that the student has a disability and needs accommodations. Individuals requiring special accommodation should contact the professor after class or during office hours.

### **Religious Holy Days**

The University of Texas at Dallas will excuse a student from class or other required activities for the travel to and observance of a religious holy day for a religion whose places of worship are exempt from property tax under Section 11.20, Tax Code, Texas Code Annotated.

The student is encouraged to notify the instructor or activity sponsor as soon as possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment.

If a student or an instructor disagrees about the nature of the absence [i.e., for the purpose of observing a religious holy day] or if there is similar disagreement about whether the student has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.

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