



FIN 6301: Financial Management Fall 2021 Course Syllabus

Course & Instructor Information

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|---------------------------------|---|
| Course / Section: | FIN 6301: Financial Management - Section 501 |
| Term: | August 23, 2021 - Dec. 15, 2021 |
| Times: | 7:00 pm - 9:45 pm on Thursday |
| Location: | JSOM 11.206 |
| Instructor: | Hiro Nishi |
| Office: | JSOM 14.328 |
| E-mail: | hiro.nishi@utdallas.edu |
| Phone: | (972) 883-5893 |
| Office hours: | <ol style="list-style-type: none">In-person: Wednesday from 1:00 pm - 3:00 pm, or by appointmentOnline (MS Teams): Students needing to speak with me virtually may contact me via email to set up a meeting. |
| Teaching assistant: | Pranali Sawant |
| E-mail: | pranali.sawant@utdallas.edu |
| Online office hours (MS Teams): | Monday from 1:00 pm - 3:00 pm, or by appointment The MS Teams link will be posted in eLearning. |

Course Prerequisite

You must have completed the following:

- Financial Accounting: ACCT 6301, ACCT 6305, or HMGY 6311
- Statistics: BUAN 6359 or OPRE 6301

Course Objectives

The primary objective of FIN 6301 is to provide a solid framework of corporate finance. The course is also designed for graduate students to cultivate critical thinking skills, develop managerial insight, and learn team collaboration. Two decision-making processes critical for corporate managers are covered (relevant textbook chapters indicated in the parenthesis):

- Part I: Corporate Capital Budgeting (Ch. 6, 7, 8, 9) + Foundation topics (Ch. 2, 3, 4)
- Part II: Cost of Capital Analysis (Chapters in Part I + Ch. 5, 10, 11, 12)

After completing Part I, each group of students will work on one case study and provide in-class presentations (see [Course Schedule](#) for details).

Course Delivery Format (based on COVID-related guidelines)

A class session will be held in a classroom every week. However, to comply with the classroom de-densification guidelines recently issued by UTD, half the students will need to be attending virtually every time. If the university maintains its COVID guidelines for the remainder of the semester, our class will be divided into two groups in Week 2 and beyond. I will soon provide the seating chart for each of the groups.

- Students in **Group A** will be in a classroom on **9/2, 9/16, 9/30, 10/21, and 11/4**. They will attend the class virtually in other weeks.
- Students in **Group B** will be in a classroom on **9/9, 9/23, 10/14, 10/28, and 12/2**. They will attend the class virtually in other weeks.

Note that all the students will still take exams in JSOM 11.206 on the day specified in this syllabus (**10/7 and 12/9**). All the group presentations will also be provided in the classroom as well on **11/11**. Once the pandemic situation improves and UTD lifts its COVID guidelines, all the students will attend a class session in person every week.

The link to attend a class session via MS Teams can be found in eLearning (see “Course Materials”).

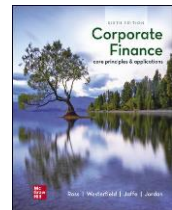
Course Materials

For this course, you need to purchase the following:

a) Textbook [Required]

Corporate Finance: Core Principles and Applications (6th edition) by Ross, Westerfield, Jaffe and Jordan

- You need to obtain the access to **McGraw-Hill Connect** (180-day subscription), which includes the eBook version of this textbook.
- To purchase the access to and register for Connect, go to “Course Materials” in eLearning (also called “Blackboard”) and click one of the Connect assignments. They are located in the folder that looks like the image below.



McGraw-Hill recommends Google Chrome browser for this application. If you have any difficulty, visit [Student Help Page](#).

b) Harvard Business Case [Required]

You need to purchase one entry-level business case at Harvard Business Publishing for your group assignment. Go to <https://hbsp.harvard.edu/import/855431> and create your student account if you do not already have one. After you register, sign in and go to **My CoursePacks** to find **FIN 6301.501 - Fall 2021**.

c) **Texas Instrument BA II Plus [Required]**

Since all the exams will be administered in a classroom, a BA II Plus financial calculator is required. A graphic calculator or Microsoft Excel is not allowed during an in-class exam.



Course Components

Exams

There will be **one mid-term exam** (Ch. 2, 3, 4, 6, 7, 8 & 9) and **the final exam** (all chapters). Each exam is worth 100 points, and the final exam comprehensive.

- Students will take the exam in a classroom on the day specified in this syllabus. See the “Course Policies” section if you have to miss an exam for a legitimate reason.
- No reference sheet is allowed during the exam; I will hand out a formula sheet in the classroom. No complaint about your grade will be entertained after one class meeting from the exam day.

MH Connect SmartBook

SmartBook assignments, one for each chapter, are available via McGraw-Hill Connect. Once you complete each chapter, you will earn 5 points. You must complete each SmartBook assignment at least once, and there is no limit on how many times you may complete each assignment.

Case Study Assignment

You will be assigned to a group of 4-5 students, and work on one short case study as a team.

New Heritage Doll Company

Topics: capital budgeting, forecasting, resource management

Cost: \$4.25 + optional audio version for additional \$1

Each group is required to prepare an Excel spreadsheet that summarizes their analyses. The Excel file provided by Harvard Business Publishing should be used as a starting point. Toward the end of the semester, a presentation using PowerPoint will be provided by each group. Detailed instructions will be posted in eLearning later in the semester.

Peer Evaluations

Students are expected to complete the peer evaluations for the group project. The peer evaluations will impact your grade. A link to the peer evaluation will be posted in eLearning.

Grading and Evaluation

Your course grade is the total score you have earned divided by the total possible score. **No additional assignment** will be given in order to alter your semester grade.

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|--|-------------------|
| Connect SmartBook (reading & quizzes) | 55 points |
| Mid-term exam | 100 points |
| Final exam | 100 points |
| Case study – Submitted material & group presentation | 100 points |
| Case study – Peer evaluation | 50 points |
| Total score possible | 405 points |

Semester letter grades are based on standard university scale. There will be no curve.

| Scaled score | Letter equivalent |
|--------------|-------------------|
| 92 – 100 | A |
| 90 – 91 | A- |
| 88 – 89 | B+ |
| 82 – 87 | B |
| 80 – 81 | B- |
| 78 – 79 | C+ |
| 70 – 77 | C |
| Less than 70 | F |

Course Schedule

This is a **tentative schedule** and it is subject to change based on the progress of lectures, COVID situation, etc.

Part I: Corporate Capital Budgeting Decisions

| Week | Date | Chapters & Topics |
|----------|------|---|
| | | First day of class: |
| 1 | 8/26 | <ul style="list-style-type: none"> Introduce yourself to the class! I will also go over the “classroom de-densification” plan in Fall 2021. Ch. 2: Financial Statements and Cash Flow <ul style="list-style-type: none"> Revisit basic concepts in financial accounting |
| 2 | 9/2 | Ch. 3: Financial Statements Analysis <ul style="list-style-type: none"> Overview of financial ratios analysis Ch. 4: Discounted Cash Flow Valuation <ul style="list-style-type: none"> Revisit basic concepts of the time value of money |
| 3 | 9/9 | Ch. 7: Net Present Value and Other Investment Rules <ul style="list-style-type: none"> Capital budgeting decision criteria: NPV, etc. Capital rationing |

| | | |
|---|-------|--|
| 4 | 9/16 | Ch. 8: Making Capital Investment Decisions <ul style="list-style-type: none"> Building a pro forma financial statement in Excel |
| 5 | 9/23 | Ch. 9: Risk Analysis, Real Options, and Capital Budgeting <ul style="list-style-type: none"> Sensitivity (what-if) analysis, financial break-even point, etc. |
| 6 | 9/30 | Ch. 6: Stock Valuation <ul style="list-style-type: none"> For the case assignment, you will need to calculate the “terminal value” of each project beyond Year 2020. <p>We will also spend time for the mid-term exam review.</p> |
| 7 | 10/6 | Connect SmartBook submission due (Ch. 2, 3, 4, 6, 7, 8 & 9) |
| 7 | 10/7 | Mid-term Exam (7:00 pm - 8:40 pm) |
| 8 | 10/14 | Case Study – Overview <ul style="list-style-type: none"> This case study requires thorough understanding the topics in Chapters 3, 6, 7, 8, and 9 (plus fundamental knowledge in financial accounting and time-value-of-money concept). We will spend about 1 hour to go over the case study. I will then start Chapter 5. |

Part II: Cost of Capital Analysis

| Week | Date | Chapters & Topics |
|------|-------|---|
| 9 | 10/21 | Ch. 5: Interest Rates and Bond Valuation <ul style="list-style-type: none"> Bond valuations: price, yield to maturity (YTM), etc. Bond yield spread Ch. 10: Risk and Return <ul style="list-style-type: none"> Measures of return: arithmetic vs. geometric average Measures of risk: variance and standard deviation |
| 10 | 10/28 | Ch. 11: Return and Risk: The Capital Asset Pricing Model <ul style="list-style-type: none"> Capital Asset Pricing Model (CAPM) Levered beta vs. unlevered beta |
| 11 | 11/4 | Ch. 12: Risk, Cost of Capital, and Valuation <ul style="list-style-type: none"> Weighted Average Cost of Capital (WACC) |
| 12 | 11/10 | Case study submission due (both Excel and PowerPoint, Wednesday) |
| 12 | 11/11 | Class Study - Group Presentations <ul style="list-style-type: none"> HBS Case: New Heritage Doll Co. |
| 13 | 11/18 | No class session <ul style="list-style-type: none"> I will be out of state to attend a research conference. |
| 14 | 11/25 | Thanksgiving Day – No class session |
| 15 | 12/2 | Final exam review |

16 12/8 Connect SmartBook submission due (Ch. 5, 10, 11 & 12)

16 12/9 Final Exam (8:00 pm - 9:40 pm)

The date of the exam will NOT be changed, except under extraordinary circumstance (e.g., university closed). Also see the following section (Course Policies) for more details.

Course Policies

I reserve the right to change the course materials during the semester, if necessary. Announcements of changes will be made in classroom and via eLearning. If any exam question contains an inadvertent error, I may choose to exclude such question at my sole discretion.

a) LearnSmart (if applicable):

The deadline is firm and will not be extended under any circumstance. You are given sufficient time to complete each of the assignments.

b) Writing Assignment (if applicable):

I reserve the right to grade based on my discretion. Please read the general guidelines (to be provided separately) carefully to minimize point reduction.

- The deadlines are firm and will not be extended under any circumstance.
- Do not copy from any published sources or your classmate. Use your own words. **Plagiarism is unacceptable** at UT Dallas and is a violation of the Student Code of Conduct (<https://policy.utdallas.edu/utdsp5003>).

c) In-class exams:

The **exam is waived** under one of the following circumstances:

- i. A student needs to attend a university-sponsored event (e.g., conference) on the scheduled exam day. A written notice from the faculty advisor of your student organization must be provided prior to the scheduled exam day in order to demonstrate that the reason of absence is legitimate.
- ii. A student has an unexpected and uncontrollable situation on the scheduled exam day. Examples include a medical emergency. A document of proof must be provided to the instructor before the official semester grade is assigned.

For the mid-term exams: **No make-up exams (neither earlier nor later) will be given under any circumstances.** If a student provides a supporting documentation, his/her score on the missed exam will be excluded from the semester grade calculation.

For the final exam: An **Incomplete (“I”) grade** will be assigned. The student will take the final exam within the time period specified by the instructor, not to exceed eight weeks from the first day of the subsequent long semester.

d) **Smartphone is strictly prohibited** during the lecture:

Your classroom behavior (e.g., using a smartphone, chatting) can **adversely affect** your semester grade, at my discretion.

e) Class Recordings:

Unless the Office of Student AccessAbility (OSA) has approved a student to record the instruction, **students are expressly prohibited from recording any part of this course.** Recordings may not be published, reproduced, or shared with those not in the class, or uploaded to other online environments except to implement an approved OSA accommodation. Failure to comply with these University requirements is a violation of the Student Code of Conduct (<https://policy.utdallas.edu/utdsp5003>).

f) Class Attendance and Participation

Regular and punctual class attendance is expected. Students are strongly encouraged to actively participate in class. This involves making comments, asking questions, and engaging with your peers, instructor and the material.

University Policies and Services

Academic Support Resources

The information contained in the following link lists the University's academic support resources for all students: <https://go.utdallas.edu/academic-support-resources>

Disability Statement

If you have a disability that may have an impact on your ability to carry out assigned course work and if you wish to seek any accommodations for this course, you are encouraged to register with the Office of Student AccessAbility (OSA) as early as possible. OSA staff will review your documentation and determine, what academic accommodations are necessary and appropriate. OSA is located in the Administration Building, AD 2.224 They can be reached by phone at 972-883-2098, or by email at studentaccess@utdallas.edu.

Please note that accommodations are not retroactive and disability accommodations cannot be provided until an OSA Letter of Accommodation has been given to the instructor.

UT Dallas Syllabus Policies and Procedures

The information contained in the following link constitutes the UTD's policies and procedures segment of the course syllabus.

<http://go.utdallas.edu/syllabus-policies>