

# FIN3320.002

## Business Finance

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Fall 2013

[T Th 10:00-11:15AM]

JSOM 2.722

Instructor: Seong Byun

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Office: MC 1.406C

Office Hours: I am usually in my office except on Sundays, but I prefer that you send me an e-mail to schedule a time.

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### Overview

FIN 3320 - **Business Finance** (3 semester hours) Introduction to financial decision making and the valuation of business enterprises, with a particularly focus on the use of discounted cash flow techniques in the selection of capital investment projects. Additional topics include financial planning, exchange rates, risk and return trade-offs in financial markets, financing decisions and dividend policy. Pre-requisites: MATH 1326, MATH 2333 (or OPRE 3333), AIM 2301, ACCT 2302. Co-requisites: STAT 3360 (or OPRE 3360).

### Learning Objective

1. Be able to apply time value of money concepts to various valuation problems.
2. Be able to describe what drives a firm's cost of capital and how to estimate it.
3. Be able to analyze investments in real and financial assets using various methodologies.
4. Be able to construct excel spreadsheets to solve basic financial problems.

### Class Material

1. Required Textbook:

Ross, Westerfield, Jordan. *Fundamentals of Corporate Finance*, Standard 10th edition packaged with Connect Plus: ISBN: 9780077630706. You may buy these two items separately.

Class website for Connect Plus: [http://connect.mcgraw-hill.com/class/s\\_byun\\_fin\\_3320\\_fall\\_2013\\_t\\_th\\_1000am](http://connect.mcgraw-hill.com/class/s_byun_fin_3320_fall_2013_t_th_1000am)

2. Supplemental (Optional) Textbook:

Ivo Welch, *Corporate Finance: 2<sup>nd</sup> Edition*. FREE ONLINE at <http://book.ivo-welch.info/ed2/>

3. Required Calculator:

TI BA II Plus (or Plus Professional). Per department policy, this is the only calculator you will be allowed to use in the department-wide final exam.

### Important Dates

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**September 26th, 2013**

Exam I

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**October 17th, 2013**

Video Lecture

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**October 31st, 2013**

Exam II

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**November 21st, 2013**

Video Lecture

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**December 5th, 2013**

Exam III

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**December 13th, 2013**

**Comprehensive Final Exam**

**Location: Davidson Auditorium  
(JSOM 1.118)**

## Classroom Policy

1. Use of electronic devices (cell phones, tablets, laptops, etc.) is prohibited, except when I ask you to use them. This policy will be effective until someone finds a way to make technology distraction-free.
2. By registering for the course, you are making a commitment to attend and participate in every class, except in unforeseen emergencies and official school and religious holidays in accordance with school policy. I expect to see you in class every week and ready to actively participate.
3. Be on time. If you are late, I will ask you to sit in the front.

## Grading Policy

Exam I, II, and III	15% each
Quizzes (based on homework)	20%
Homework Assignments	10%
Final Exam	25% (up to 70%)

If your final exam grade is higher than any of the exam I, II, III grades, I will replace them with the final exam grade but only if you have shown evidence of effort in the exam, i.e., only when your exam grades are at greater than or equal to 50. I will consider few cases where this requirement is not met, but it will be based on my subjective judgment of your sincere effort.

Scenario 1: You received 50, 70, and 80 on exams I-III, and you received 95 on the final exam. Then all of your exam scores will be adjusted to 95.

Scenario 2: You received 30, 70, and 80 on exams I-III, and you received 95 on the final exam. Then your first exam will remain 30, and your second and third exams will be adjusted to 95.

A+ 97-100	A 93-96	A- 90-92
B+ 87-89	B 83-86	B- 80-82
C+ 77-79	C 73-76	C- 70-72
D+ 67-69	D 63-66	D- 60-62
F <60		

## Quizzes, Projects, and Homework

There will be 16 (one per week) in-class short quizzes. These quizzes will be based on your homework assignments. I will also assign an **optional** project on the topic of net present value, which is to be done individually, and which will replace the four lowest quiz grades if the project score is higher than the quiz scores. But not doing the project will not harm you. I will then take the best 12 quiz scores to calculate your average quiz score for the course.

Homework will be assigned through E-Learning and McGraw-Hill Connect. You are allowed to help and discuss with each other, but not allowed to work on it together. I highly discourage you (and you are prohibited) from copying the answers and avoiding effort, as these homework problems will be the basis for the in-class quizzes. Gross misconduct as evident from my monitoring of the Connect and E-Learning activities will be reported to the Judicial Affairs with my recommendation for an F for the course (not just the assignment). See below for “Academic Dishonesty.”

## Exams and Make-up Policy

There will be three exams and a final exam. All exams are comprehensive. If you desire, I will hold extra review sessions before each exam, which is to be announced in class. For those of you that cannot attend the extra review sessions, I will video record the sessions so that you will not miss out on the sessions.

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Make-up for Exam I through III will be given only under **documentable** circumstances in accordance with the school policy. Do not ask me to give you an exam early so that you can fly out on a cheaper flight. Make-up exam policy for the final exam is not under my control. See section under “Final Exam.”

## Final Exam

The final exam will be a uniform finance department final exam on **Friday Dec 13, 2013 at JSOM 1.118 (Davidson Auditorium)**. Two exam times will be announced and our class will be assigned one of those two times once class enrollment in all sections is determined. (Times will likely be 1:00pm – 3:45pm and 4:00 - 6:45pm). You will not be allowed to bring backpacks, bags, books, cell phones, laptops, notebooks, scratch paper, calculators that store text such as graphing calculators...etc. The only calculator permitted will be the **TI BA II Plus (or Plus Professional)**. You will have to bring pencil, eraser, financial calculator (see above), **Scantron form 882-E** and a **photo ID** (UTD issued preferred, state driver's license or passport). Students will not be able to take the exam without a photo ID. Emergencies such as hospitalization, car wrecks on the way to the test, etc. will have to be substantiated by supporting documents and in these cases the students will **receive an incomplete** in the course and will take the exam during the next scheduled final exam for FIN3320. There will be no exceptions.

## Academic Dishonesty- Zero Tolerance Policy

I will enforce a ZERO TOLERANCE POLICY for plagiarism in this class. I believe that this is essential for the integrity of our university and of our future business world, and I take this issue very seriously. Any evidence of academic dishonesty (even the person that is indirectly involved by helping someone cheat) with regards to homework, quizzes, and exams will be reported to the Judicial Affairs, where I will recommend an F for the course (not just the assignment). See <http://policy.utdallas.edu/utdsp5003> for the procedure regarding academic dishonesty.

## Finance Lab

There are assistants available at the Finance Labs, which is open Monday through Friday from 11AM to 7PM, Saturday from 11AM to 4PM, and Sunday from 1PM to 7PM. The finance lab is located at JSOM 1.215.

## University Policy

Check <http://go.utdallas.edu/syllabus-policies> for other official school policies.

## Class Schedule

Week	Dates	Topic	Comment
1	8/27	Ch 1	First Day of Class
	8/29	Ch 2	
2	9/3	Ch 2,3	
	9/5	Ch 4	
3	9/10	Ch 5	
	9/12	Ch 5	
4	9/17	Ch 6	
	9/19	Ch 6	
5	9/24	Catch up day	Review Session(s) - TBA
	9/26	<b>Exam I</b>	
6	10/1	Ch 7	
	10/3	Ch 7	
7	10/8	Ch 8	
	10/10	Ch 8	
8	10/15	Ch 9	Online Class
	10/17	Ch 9	
9	10/22	Ch 10	
	10/24	Ch 10	
10	10/29	Catch up day	Review Session(s) - TBA
	10/31	<b>Exam II</b>	
11	11/5	Ch 11	
	11/7	Ch 11	
12	11/12	Ch 13	
	11/14	Ch 13	
13	11/19	Ch 14	Online Class
	11/21	Ch 12	
14	11/26	Ch 14	Project due
	11/28	No Class	Thanksgiving Day
15	12/3	Catch up day	Review Session(s) - TBA
	12/5	<b>Exam III</b>	
16	12/10	Issues in Finance	Last Day of Class
	12/12	No Class	UTD Official Reading Day
	12/13	<b>Comprehensive Final Exam</b>	See section under "Final Exam"
	12/20	Final Grades Posted	