

FIN 3320.502—Business Finance

Naveen Jindal School of Management
The University of Texas at Dallas
MW 5:30-6:45 PM
JSOM 2.112

Professor Contact Information

David M. Cordell, PhD, CFA, CFP®, CLU
Office: JSOM 14.308, (972) 883-2718, david.cordell@utdallas.edu
Please contact me through eLearning
Office hours: MW 4:00-5:30 PM, or by appointment

Catalog Course Description

FIN 3320 Business Finance (3 semester credit 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. Prerequisites: (ACCT 2301 and ACCT 2302) and (MATH 1326 or MATH 2414 or MATH 2419) and (MATH 2333 or MATH 2415 or MATH 2418 or CS 2305 or OPRE 3333), and MIS 3300. Prerequisite or Corequisite: (STAT 3360 or OPRE 3360). (3-0) S

Student Learning Objectives/Outcomes

You will learn to understand how and when to apply the basic concepts of financial analysis in a business setting. By the end of this course, you should be able to

- apply time-value-of-money concepts to various valuation problems.
- describe what drives a firm's cost of capital and how to estimate it.
- analyze investments in real and financial assets using various methodologies.

Textbooks and Materials

- The required text is S. Ross, R. Westerfield, & B. Jordan, *Fundamentals of Corporate Finance*, 10th Ed., McGraw-Hill Companies, Inc. [with a Connect access code that is required for this course]. You have four alternative purchase options. In making your decision, keep in mind that laptops, tablets, and smart phones are not allowed in class.
 1. All digital: Includes access to SmartBook and Connect. Available directly from McGraw-Hill through a course-specific link (below). ISBN # 99780077479480. Estimated cost: \$125.
 2. All digital, as in option 1, but with option to purchase a loose-leaf, color-printed textbook. Available directly from McGraw-Hill. Estimated extra cost for the loose-leaf copy of the textbook is \$40, for \$165 total. This is a good cost-benefit choice.
 3. All digital with optional loose-leaf print (same as option 2) purchased from the UT Dallas Bookstore. ISBN #9780078093876. Estimated cost: \$275.
 4. All digital along with traditional hard-cover textbook purchased from bookstore. Estimated cost: \$328.
- Connect web address: <https://connect.mheducation.com/class/d-cordell-fin-3320502----fall-2015>
(Note that this web address may not be in effect during the first week of class.)
- Financial Calculator--TI BAII Plus. Bring to class every day. It is the only calculator supported. No programmable or smart phone calculator can be used on exams.

Assignments and Exams

- I will post 8-12 homework assignments on eLearning and Connect. Homework will not be accepted after the due date. One homework grade can be dropped.
- An Excel project will be assigned during the semester. Details will be provided through eLearning.
- Exams may include multiple choice questions, fill-in-the-blank questions, short answer questions, and mostly problems. Exam questions will include information that is
 - covered in the text, but not in lectures
 - covered in lectures, but not in the text
 - covered in both the text and lectures.
- No make-up exams will be given. If you miss an exam, the weight will be added to the final exam weight. You may elect to drop your lowest exam grade and add that weight to the final exam weight, but you must notify me via eLearning before the final exam.
- The Final Exam is a uniform, comprehensive, departmental exam that is given to all FIN 3320 students. Entry to the exam room requires a Comet Card, driver's license, or passport.

Grading Weights

Homework	10
Excel project	5
Exam 1	20
Exam 2	20
Exam 3	20
Final Exam	<u>25</u>
	100%

Tentative Class Schedule

Date	Topics	Readings
Mon, Aug 24	Introduction to Corporate Finance	Chapter 1
Wed, Aug 26	Financial Statements, Taxes, and Cash Flow	Chapter 2
Mon, Aug 31	Working with Financial Statements	Chapter 3
Wed, Sep 2		
Mon, Sep 7	Labor Day Holiday	
Wed, Sep 9	Time Value of Money	Chapter 5
Mon, Sep 14		
Wed, Sep 16	Discounted Cash Flow Valuation	Chapter 6
Mon, Sep 21	EXAM 1	
Wed, Sep 23	Interest Rates and Bond Valuation	Chapter 7
Mon, Sep 28		
Wed, Sep 30	Stock Valuation	Chapter 8
Mon, Oct 5		
Wed, Oct 7	Net Present Value and Other Criteria	Chapter 9
Mon, Oct 12		
Wed, Oct 14		
Mon, Oct 19	Making Capital Investment Decisions	Chapter 10
Wed, Oct 21		
Mon, Oct 26		
Wed, Oct 28	EXAM 2	
Mon, Nov 2	Project Analysis and Evaluation	Chapter 11
Wed, Nov 4		
Mon, Nov 9	Return, Risk, and the Security Market Line	Chapter 13
Wed, Nov 11		
Mon, Nov 16	Investors and the Investment Process	Chapter 14
Wed, Nov 18		
Mon, Nov 23	Thanksgiving Break	
Wed, Nov 25	Thanksgiving Break	
Mon, Nov 30	Capital Market History	Chapter 12
Wed, Dec 2	EXAM 3	
Mon, Dec 7	Review	
Wed, Dec 9	Review	
Sat, Dec 12	FINAL EXAM – COMPREHENSIVE	
	11:00 AM-1:35 PM, Texas Instruments Auditorium (ECCS 2.102)	

Course & Instructor Policies

The instructor reserves the right to add bonus questions to any or all of the exams. Otherwise, the traditional 100 point, maximum grade per exam/quiz will be followed. Final semester grades will be assigned letter grades as follows: A+ (98+), A (93-97), A- (90-92), B+ (88-89), B (83-87), B- (80-82), C+ (78-79), C (73-77), C- (70-72), D+ (68-69), D (63-67), D- (60-62), F (below 60). Unless there is a computational error, absolutely NO final semester grades will be changed. The time to be concerned about your grade is NOW and NOT the end of the semester.

Various items will be posted on eLearning. Please be sure to stay current by checking the sections "Course Content/Assignments" and "Course Content/Handouts" on eLearning for this course.

All cell phones MUST be turned off before class begins. Laptop computers are not allowed in class. No eating is allowed in the classroom, but non-alcoholic beverages are acceptable. If you anticipate the need to use the restroom during the class period, please do so before the class begins. Please avoid leaving during class and then returning as it is not only disruptive to the class, but also disrespectful to the instructor in the same way that it would be disrespectful to your employer to leave during a staff meeting. Your whole-hearted attention and participation are expected during each class.

Although head coverings for bona fide religious purposes are welcome in class, baseball caps and other such fashion statements are not. In general, our expectation is that the classroom will be more like a board room than a family room.

You will determine the extent of your knowledge gained from this course. If you remain current with the readings and assignments, attend class, ask questions and work through the end of chapter questions, you should perform well in this class. Attendance will be monitored, but it will only be explicitly considered in borderline cases.

Academic Calendar

Each student is responsible for staying current with university drop/withdrawal deadlines.

Technical Support

If you experience any problems with your UTD account you may send an email to: assist@utdallas.edu or call the UTD Computer Helpdesk at 972-883-2911.

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.

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 of the Board of Regents of the University of Texas System, Part I, Chapter VI, Section 3, and in Title V, Rules on Student Services and Activities of the Course Syllabus Page 8, 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 (SSB 4.400, 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 and administration of the School of Management expect from our 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. We want to establish a reputation for the honorable behavior of our graduates, which extends throughout their careers. Both your individual reputation and the school's reputation matter to your success.

The Judicial Affairs website lists examples of academic dishonesty. Dishonesty includes, but is not limited to cheating, plagiarism, collusion, facilitating academic dishonesty, fabrication, failure to contribute to a collaborative project and sabotage. Some of the ways students may engage in academic dishonesty are:

- Coughing and/or using visual or auditory signals in a test;
- Concealing notes on hands, caps, shoes, in pockets or the back of beverage bottle labels;
- Writing in blue books prior to an examination;

- Writing information on blackboards, desks, or keeping notes on the floor;
- Obtaining copies of an exam in advance;
- Passing information from an earlier class to a later class;
- Leaving information in the bathroom;
- Exchanging exams so that neighbors have identical test forms;
- Having a substitute take a test and providing falsified identification for the substitute;
- Fabricating data for lab assignments;
- Changing a graded paper and requesting that it be regraded;
- Failing to turn in a test or assignment and later suggesting the faculty member lost the item;
- Stealing another student's graded test and affixing one's own name on it;
- Recording two answers, one on the test form, one on the answer sheet;
- Marking an answer sheet to enable another to see the answer;
- Encircling two adjacent answers and claiming to have had the correct answer;
- Stealing an exam for someone in another section or for placement in a test file;
- Using an electronic device to store test information, or to send or receive answers for a test;
- Destroying or removing library materials to gain an academic advantage;
- Consulting assignment solutions posted on websites of previous course offerings;
- Transferring a computer file from one person's account to another;
- Transmitting posted answers for an exam to a student in a testing area via electronic device;
- Downloading text from the Internet or other sources without proper attribution;
- Citing to false references or findings in research or other academic exercises;
- Unauthorized collaborating with another person in preparing academic exercises.
- Submitting a substantial portion of the same academic work more than once without written authorization from the instructor.

<http://www.utdallas.edu/judicialaffairs/UTDJudicialAffairs-Basicexamples.html>

Updated: August, 2011

Plagiarism on written assignments, especially from the web, from portions of papers for other classes, and from any other source is unacceptable.

During tests and quizzes, students in this section are not allowed to have with them any food, scratch paper, course materials, textbooks, notes, invisible ink pens, or electronic devices, including iPads, iPhones, iPods, MP3 Players, earphones, radios, smart phones, cameras, multi-function timepieces, or computers. When possible, students should sit in alternating seats, face forward at all times, and remove any clothing which might conceal eye movements, reflect images of another's work, or hide course material for copying. Exam proctors will monitor any communication or signaling between students by talking, whispering, or making sounds, or by using your hands, feet, other body movements, the test paper itself or your writing implement.

Students in this course suspected of academic dishonesty are subject to disciplinary proceedings, and if found responsible, the following minimum sanctions will be applied:

1. Homework – Zero for the Assignment
2. Case Write-ups – Zero for the Assignment
3. Quizzes – Zero for the Quiz
4. Presentations – Zero for the Assignment
5. Group Work – Zero for the Assignment for all group members
6. Tests – F for the course

These sanctions will be administered only after a student has been found officially responsible for academic dishonesty, either through waiving their right for a disciplinary hearing, or being declared responsible after a hearing administered by Judicial Affairs and the Dean of Student's Office .

In the event that the student receives a failing grade for the course for academic dishonesty, the student is not allowed to withdraw as a way of preventing the grade from being entered on their record. Where a student receives an F in a course and chooses to take the course over to improve their grade, the original grade of F remains on their transcript, but does not count towards calculation of their GPA.

The School of Management also reserves the right to review a student's disciplinary record, on file with the Dean of Students, as one of the criteria for determining a student's eligibility for a scholarship.

Judicial Affairs Procedures

Under authority delegated by the Dean of Students, a faculty member who has reason to suspect that a student has engaged in academic dishonesty may conduct a conference with the student in compliance with the following procedures:

- (i) the student will be informed that he/she is believed to have committed an act or acts of academic dishonesty in violation of University rules;
- (ii) the student will be presented with any information in the knowledge or possession of the instructor which tends to support the allegation(s) of academic dishonesty;
- (iii) the student will be given an opportunity to present information on his/her behalf;
- (iv) after meeting with the student, the faculty member may choose not to refer the allegation if he/she determines that the allegations are not supported by the evidence; or
- (v) after meeting with the student, the faculty member may refer the allegations to the dean of students along with a referral form and all supporting documentation of the alleged violation. Under separate cover, the faculty member should forward the appropriate grade to be assessed if a student is found to be responsible for academic dishonesty;
- (vi) the faculty member may consult with the dean of students in determining the recommended grade;
- (vii) the faculty member must not impose any independent sanctions upon the student in lieu of a referral to Judicial Affairs;
- (viii) the faculty member may not impose a sanction of suspension or expulsion, but may make this *recommendation* in the referral documentation

If the faculty member chooses not to meet with the student and instead forwards the appropriate documentation directly to the dean of students, they should attempt to inform the student of the allegation and notify the student that the information has been forwarded to the Office of Dean of Students for investigation.

The student, pending a hearing, remains responsible for all academic exercises and syllabus requirements. The student may remain in class if the student's presence in the class does not interfere with the professor's ability to teach the class or the ability of other class members to learn. (See Section 49.07, page V-49-4 for information regarding the removal of a student from class).

Upon receipt of the referral form, class syllabus, and the supporting material/documentation from the faculty member, the dean shall proceed under the guidelines in the *Handbook of Operating Procedures*, Chapter 49, Subchapter C. If the respondent disputes the facts upon which the allegations are based, a fair and impartial disciplinary committee comprised of UTD faculty and students, shall hold a hearing and determine the responsibility of the student. If they find the student in violation of the code of conduct, the dean will then affirm the minimum sanction as provided in the syllabus, and share this information with the student. The dean will review the student's prior disciplinary record and assess additional sanctions where appropriate to the circumstances. The dean will inform the student and the faculty member of their decision.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted materials, including music and software. Copying, displaying, reproducing, or distributing copyrighted works may infringe the copyright owner's rights and such infringement is subject to appropriate disciplinary action as well as criminal penalties provided by federal law. Usage of such material is only appropriate when that usage constitutes "fair use" under the Copyright Act. As a UT Dallas student, you are required to follow the institution's copyright policy (Policy Memorandum 84-I.3-46). For more information about the fair use exemption, see <http://www.utsystem.edu/ogc/intellectualproperty/copypol2.htm>

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 Wednesday, 8:30 a.m. to 6:30 p.m.; Monday 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)

disabilityservice@utdallas.edu

If you anticipate issues related to the format or requirements of this course, please meet with the Coordinator of Disability Services. The Coordinator is available to discuss ways to ensure your full participation in the course. If you determine that formal, disability-related accommodations are necessary, it is very important that you be registered with Disability Services to notify them of your eligibility for reasonable accommodations. Disability Services can then plan how best to coordinate your accommodations.

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.

These descriptions and timelines are subject to change at the discretion of the Professor.