

Course Syllabus

Course Information

FIN 3320: Business Finance

Fall 2016

Section 004

MW: 2:30-3:45 pm

JSOM 2.902

Professor Contact Information

Professor Kelsey D. Wei

Phone: 972-883-5978

Office Hours: Tue 1:00 – 2:00 pm

or by appointment

Office: JSOM 14.320

Email: e-Learning

Course Web: e-Learning and *Connect*

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

Prerequisites: MATH 1326, MATH 2333 (or OPRE 3333), ACCT 2301, ACCT 2302, & MIS 3300. Co-requisite: (STAT 3360 or OPRE 3360).

Course Description

This course is an introductory course in corporate finance. It serves as the basis for all other courses in the area of finance as well as providing those basic tools that every business student will need to succeed in her/his chosen career. Students majoring in business administration and accounting, as well as those later pursuing more advanced finance studies, will find the material of this course an essential part of their business education. Regardless of the student's chosen career, the tools and techniques introduced in this course will also provide the foundation for them to make personal financial decisions.

Student Learning Objectives/Outcomes

After you successfully complete the course, you should be able to:

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

Fundamentals of Corporate Finance, 11th edition, by Ross, Westerfield and Jordan, McGraw-Hill Irwin, 2016, **with *Connect Plus* access code** that is required. ***Connect*** is an online software that allows students to submit homework assignments and check their work online. Access to McGraw-Hill *Connect* is required for this course. *Connect Plus* is the *Connect* Finance code plus an e-version of the textbook.

Web address of McGraw-Hill Connect for this course:

http://connect.mheducation.com/class/k-wei-fin3320_004-fall-16-1

Calculator

For the exams for this course, you are allowed to use any calculator that you prefer except for (i) calculators that reside on smart phones or (ii) any calculator that has wireless access to the internet. Also, if you use a programmable calculator (e.g., TI-83 Plus or TI-84), you are not allowed to use the programming features of your calculator. An exam proctor will check your calculator before (or during) each exam to be sure that it complies with this rule; if the calculator is not in compliance, the proctor has the authority to remove your calculator for further use on that exam. Please do not risk having to incur the consequences. If you plan to use an unfamiliar, obscure type of calculator, you should check with your instructor any time before the actual exam date to avoid any potential complications during the actual exam. The time-value-of-money material in this course will be taught to you in two ways: (1) using five fundamental math equations and (2) using financial-function keys on a calculator. If you master either approach, you are perfectly well-equipped to be successful in this course; mastering both approaches makes you even more competent.

Suggested Course Materials

It is **strongly recommended** that you read the *Wall Street Journal* and major finance websites (e.g., Yahoo! Finance, CNBC) on a regular basis.

Assignments & Academic Calendar

| Date | Lecture | Topic and Reading | Assignments |
|------------|---------|---|-------------|
| Aug 22, 24 | 1 | Introduction Readings: Chapters 2, 3 | |
| Aug 29, 31 | 2 | Financial Ratios and Time Value of Money Readings: Chapters 3, 5 | |
| Sep 7, 12 | 3 | Discounted Cash Flow Readings: Chapter 6 | |
| Sep 14, 19 | 3 | Discounted Cash Flow, NPV Analysis Readings: Chapters 6, 9 | |
| Sep 21, 26 | 4 | NPV and Other Investment Criteria Readings: Chapter 9 | |
| Sep 28 | 4 | NPV and Other Investment Criteria Review Readings: Chapter 9 | |

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|-----------------|----|---|---|
| Oct 3 | | Exam 1 | |
| Oct 5, 10 | 5 | Capital Investment Decisions Readings: Chapter 10 | |
| Oct 12, 17 | 6 | Project Analysis Readings: Chapter 11 | |
| Oct 19, 24 | 7 | Bond Valuation Reading: Chapter 7 | |
| Oct 26, 31 | 8 | Stock Valuation Readings: Chapter 8 | |
| Nov 2 | 8 | Stock Valuation, Review | |
| Nov 7 | | Exam 2 | |
| Nov 9, 14 | 9 | Risk and Return, Market Efficiency Readings: Chapters 12, 13 | |
| Nov 16, 28 | 10 | Cost of Capital Readings: Chapters 14 | |
| Nov 30 | 10 | Cost of Capital Readings: Chapter 14 | |
| Dec 5, 7 | | Review for the Final | |
| Dec 9-15 | | Common Final Exam | Time: final exam week Location: testing center |

Grading Policy

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|--------------------------|-----|
| Participation | 8% |
| Problem Sets | 22% |
| Midterms (2) | 35% |
| Comprehensive Final Exam | 35% |

- Participation grade is mainly determined by regular class attendance. If you leave a class more than 30 minutes before it ends, absence will be recorded for that class.
- **All exams are mandatory.** All students must take both of the two midterms and the final exam to receive a grade for the course. Please refer to the sections titled “Exams” and “Make-Up Exam” for more details.

- **No extra credit or assignment** to improve the grade. All students will be evaluated based upon their performance on the same assignments and exams.
- **Your final course grade will be curved.** The estimated distribution of the final grade is as follows: 20%-25% A and A-, 30% B, the rest the class will be in the range of C, D and F.

Homework

Homework sets are assigned on the McGraw-Hill *Connect* system. Although you are encouraged to discuss with your fellow classmates, keep in mind that you will have difficulty with exams if you are not able to solve the homework questions on your own. Copying or plagiarizing the work of another student will lead to zero credit and other punishments for academic dishonesty.

- Please make sure to submit your work on time as you will not be able to access homework past the due date in the *Connect* system and no late homework will be accepted.
- You are allowed two attempts to work on each assignment. Your homework grade would be the higher one among the two grades you receive from the two attempts. Homework solution is released in the system after the 2nd attempt.
- If you, for any reasons, have to miss a homework assignment, please make sure that you at least submit two quick attempts to gain access to the homework solution.

Exams

The exams will contain both conceptual questions and analytical problems. The questions and problems will be multiple-choices. The exams will be closed book and will take place in class on the dates indicated in the course schedule above. You will have to bring pencil, eraser, financial calculator (see the policy on calculator), and Scantron form 882-E.

A common final exam will be given for all students across all sections of this FIN 3320 course during the final exam week. Starting Fall 2016, the FIN 3320 common final exam will be taken online and administered at UTD's testing center. Students are required to reserve a seat at the UTD testing center in order to take the final - no walk ins will be allowed.

You cannot make up the common final exam if you miss it (except as described in the following paragraph). At this comprehensive final exam, you will not be allowed to bring backpacks, bags, books, cell phones, laptops, notebooks, or scratch paper. You will have to bring a pencil, an eraser, an acceptable financial calculator, and a photo ID (e.g., UTD Comet Card (preferred), state driver's license, or passport).

Students will not be able to take the exam without a photo ID. If a student is to miss an exam in the event of a medical emergency, a car accident, or a religious holy day, the student must notify his/her instructor by e-mail or telephone before the final exam begins. Last-minute emergencies such as hospitalization, car wrecks on the way to the exam, etc., will have to be substantiated by supporting documents and in these cases the students will receive an incomplete grade (an "I") in the course and will take the exam in a common-hour sitting early in the following semester. There will be no exceptions.

Course & Instructor Policies

Attendance

- Regular class attendance is expected. The pace of the course will be fast, so it's important to keep up with the materials. You are responsible for any information missed (e.g., change of course schedule, homework due date, etc.) due to your absence from class. If a class is missed, you are responsible for obtaining notes from e-Learning or your fellow classmates to determine what has been missed. I will not respond to requests to go through important things that are missed due to your absence from class.
- After going over the notes and reading the textbook, please feel free to talk to me or the TA if you have difficulty with any topic. I encourage you to seek help early on so that you won't accumulate too many problems and have difficulty catching up.

Classroom Conduct

Please do not chat with your neighbors on things unrelated to the lecture or leave the classroom in the middle of the class because these behaviors distract me and other students. You may not use your cell phones or other electronic communication devices during the class. Laptop use should be limited to course related activities.

Make-Up Exam

All assignments and exams are mandatory. It's your own responsibility to arrange your schedule through out the semester to coordinate with the course schedule before you register for this course. **No make-up exam or alternative test date** will be given. If you miss a midterm exam for a legitimate reason that can be properly documented, you may discuss with me the possibility of distributing the weight of that midterm to the remaining midterm exam. I reserve the right to determine whether this redistribution of weight is permitted.

Re-grading Policy

Re-grading requests must be submitted in writing providing clear and specific description of the disagreement, within **THREE** calendar days from the time the exam/assignment is returned in class. I will re-grade the entire exam/assignment upon receiving your written re-grading request to ensure that both favorable and unfavorable grading errors are corrected.

Method of Communication

Email is the preferred the method of communication with me. I usually check emails pretty frequently even after business hours. Please email me from your eLearning account so that your emails won't accidentally be filtered as junk mails.

UT Dallas Syllabus Policies and Procedures

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

Please go to <http://go.utdallas.edu/syllabus-policies> for these policies.

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