

Course Syllabus

Course Information

FIN 3320: Business Finance

Fall 2016

Section 007

T Th: 10:00-11:15 am

JSOM 2.804

Professor Contact Information

Professor Ayfer Gurun

Phone: 972-883-5920

Office Hours: T Th 11:30 – 12:45 pm
or by appointment

Office: JSOM 14.304

Email: axg119030@utdallas.edu

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.
-

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/a-gurun-2016-fall>

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 23, 25	1	Introduction Readings: Chapters 2, 3	
Aug 30, Sep 1	2	Financial Ratios and Time Value of Money Readings: Chapters 3, 5	
Sep 6, 8	3	Discounted Cash Flow Readings: Chapter 6	
Sep 13, 15	3	Discounted Cash Flow, NPV Analysis Readings: Chapters 6, 9	
Sep 20, 22	4	NPV and Other Investment Criteria Readings: Chapter 9	
Sep 27, Sep 29	4	NPV and Other Investment Criteria Review Readings: Chapter 9	

Oct 4		Exam 1	
Oct 6, 11	5	Capital Investment Decisions Readings: Chapter 10	
Oct 13, 18	6	Project Analysis Readings: Chapter 11	
Oct 20, 25	7	Bond Valuation Reading: Chapter 7	
Oct 27, Nov 1	8	Stock Valuation Readings: Chapter 8	
Nov 3		Exam 2	
Nov 8, 10	9	Risk and Return, Market Efficiency Readings: Chapters 12, 13	
Nov 15, 17	10	Cost of Capital Readings: Chapters 14	
Nov 29, Dec 1	10	Cost of Capital Readings: Chapter 14	
Dec 6		Review for the Final	
Dec 9-15		Common Final Exam	Time: final exam week Location: testing center

Grading Policy

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 throughout 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.

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.

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. 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 printed 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, Series 50000, Board of Regents, The University of Texas System*, 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) and online at <http://www.utdallas.edu/judicialaffairs/UTDJudicialAffairs-HOPV.html>

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, any student who commits an act of scholastic dishonesty is subject to discipline. Scholastic dishonesty includes but is not limited to cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts.

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.

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 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)

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.

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 http://www.utdallas.edu/BusinessAffairs/Travel_Risk_Activities.htm. Additional information is available from the office of the school dean.

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