

UT Dallas Course Syllabus

Course Information

FIN 6301/SYSM 6312 Financial Management

Section 003: Fall 2016

Friday from 1:00 pm – 3:45 pm in JSOM 12.202

Professor Contact Information

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Office Hours: Thursday 1 - 3 and by appointment

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

Prerequisites or co-requisites: OPRE 6301 and (ACCT 6201 or ACCT 6305).

Course Description

Develops the basic concepts of finance with particular attention to their application to the financial management of companies.

The class uses accounting, economics, mathematics and statistics to investigate these issues.

Student Learning Objectives/Outcomes

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 investment in real and financial assets using various methodologies.
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Required Textbooks and Materials

Text: *Corporate Finance, 3rd edition*, Berk and DeMarzo, Pearson-Prentice Hall, 2014.

Note: If the text has "Focused" or "The Core" in the title, the text contains fewer chapters. A full corporate finance text (such as the one listed above) is recommended.

A financial calculator and access to MS Excel are required. The course involves substantial statistical and financial calculations. Recommended calculators include the HP-10BII, HP-12C, TI BAII Plus, or the TI BAII Plus Professional. These calculators can be used on most certification exams (e.g., CPA, CFA, etc.). If you use a calculator, then you will be responsible for knowing how to use it. I recommend bringing a calculator to class since there will be occasions to use it.

Excel: You will find it in your interest to learn how to use spreadsheets to solve financial problems, particularly if you decide to pursue a career in finance or accounting. Good books to learn such skills for corporate finance are: (1) *Spreadsheet Modeling in Corporate Finance*, by Craig Holden, Prentice-Hall, or (2) *Financial Modeling*, by S. Benninga, The MIT Press.

Suggested Course Materials:

- *The Wall Street Journal* is optional but highly recommended
- *Financial Times Guides: Corporate Valuation*, 2nd ed., Frykman and Tolleryd, Prentice Hall.
- MyFinanceLab.com: This is the Prentice-Hall software for the text. While it is not required, it does provide additional opportunities for practicing the material

Similar texts to Berk and DeMarzo include:

- *Financial Management Theory and Practice*, 14th, E. Brigham and M. Ehrhardt, Southwestern Publishing, 2013.
- *Corporate Finance*, 10th edition, Ross, Westerfield and Jaffe, McGraw-Hill, 2013.
- *Principles of Corporate Finance*, 11th edition, Brealey, Myers and Allen, McGraw- Hill, 2014.

Sometimes students connect with one textbook over another. While the class will focus on the Berk and DeMarzo text, please be aware that other texts are also available.

Assignments & Academic Calendar

Class	Topic	Chapters in Berk/DeMarzo	Due
8/26	Introduction/Financial Markets	Ch. 1 and 3	
9/2	Time Value of Money	Ch. 4, 5	
9/9	Bond Valuation	Ch. 6	
9/16	Stock Valuation and Market Efficiency	Ch. 9, 13	Homework #1 Due
9/23	Financial Statement Analysis and Ratios	Ch. 2	
9/30	Capital Budgeting	Ch. 7, 8	Homework #2 Due
10/7	Review		
10/14	Exam 1		
10/21	Risk	Ch. 10, 11	
10/28	Cost of Capital	Ch. 12	
11/4	Financing	Ch. 14, 15.1-15.3, 16.1-16.3	Homework #3 Due
11/11	Firm Valuation	Ch. 9, 18, 19	Veteran's Day
11/18	Options	Ch. 20, 22	
11/25	THANKSGIVING		
12/2	Review		Homework #4 Due
12/9??	Final Exam		

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

You are *expected* to have read the material prior to class. I will provide additional information about the lectures on eLearning prior to class. In addition to the assigned problems, I recommend that you work as many as you need to learn the material. I will provide solutions to selected questions and problems on eLearning to help you.

Grading Policy

Your course grade is a weighted average of your scores on the assigned material. The weights are:

Exam 1	30%
Exam 2	30%
Homework	25%
Quizzes /Participation	15%

Grading Scale: Course grades are based on standard university scale.

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

The final course grades will be at the discretion of the instructor. I will look at the actual scores and the class rankings to determine the final cut-off of the grades. There are no set percentages for the number of A's, B's, etc. The ranges given above indicate the lowest score you will receive for that average (so if your average is 79, the lowest grade you would receive is a C+).

Exams: Examinations test your knowledge on the theories, practices and analytical methods of financial management. Exams are based on class lectures and assigned reading material. Exams will cover concepts and problem-solving. All individual examinations should be entirely your own work.

As with professional certification, you can only use a financial calculator for the exams. No other electronics are allowed for the exam. Cell phones, PDAs, notebooks, MP3 players, calculators that store text and any other wireless communication devices are NOT allowed and should be turned off and put away for the exams. Exams are closed book and closed note. This can be modified at the discretion of the instructor. I will provide a formula sheet for you to use.

Homework Assignments: There will be 4 homework assignments. These can be completed as a team. The specifics of the assignment will be discussed in class.

Participation/Quizzes:

- Contribution to class discussions will be based on answering questions. I expect you to come to class prepared to discuss the material and answer in-class questions. If you are confused by something that I have presented, then it is your responsibility to tell me and ask for further clarification. Please note that if I see that you are spending your time looking at your computer screen and not engaged in the class, then I will not view that as participation.
- There will be periodic random quizzes in the course as outlined in the syllabus. Each quiz is worth 100 points. The lowest quiz grade will be dropped. The average of the

remaining quiz grades will figure into the 15% participation grade. The quizzes will be a mixture of problems and questions and are to be completed individually. The quizzes will be used to monitor class participation and progress. These will be completed in class unless otherwise specified. We will discuss this in more detail in class.

- Peer evaluations will be used to assess group performance. Poor results on the peer evaluation can affect both your participation grade and your assignment grade.
- Other activities as deemed appropriate will contribute to the participation grade.

Practice Sets: Weekly practice sets help you learn the quantitative and qualitative aspects of finance. Practice Sets are designed for additional practice to prepare you for the graded assignments. Both the questions and solutions are provided. You can discuss these problems with your teammates or ask me for assistance. These are only for practice and are not graded.

General Information: It is important to realize that the topics are not separate units; the material builds throughout the course. In addition to new terminology and concepts, much of the material is analytical in nature and requires a period of time to absorb.

Course and Instructor Policies

E-learning: You should check E-learning before class. The site will have lecture information, the team project, any recommended practice problems and any updates to the class material. You are responsible for the material on-line and in-class.

Make-up exams: No make-up exams will be given unless the student (1) obtains advance permission from the instructor, and (2) has a legitimate reason for missing the examination. Supporting documentation may be required.

Late work: The assignments are due by the end of the class on the due date and will not be accepted after that time.

Extra credit: There are no planned extra credit assignments for this class.

Class attendance: Attendance at all classes is expected unless there are compelling reasons that prohibit attendance. Students are responsible for all material covered in any missed class.

Classroom citizenship: Students are expected to follow the student code of conduct at all times. You may not use your cell phone or other electronic communication devices during class. Laptops are permitted only for taking class notes. You are expected to behave in a courteous and professional manner. Behave as you would want me or another to behave towards you if our positions were reversed. However, should you fail to behave in a manner that I find acceptable, then do not be surprised if I ask you change your behavior.

Computer Usage during Class: Students often use their laptops to surf the web, answer email or perform other unrelated tasks, and do not engage in the class discussion. Learning is not a passive activity. To be effective, you must be engaged and ask questions when you do not understand something.

Academic Honesty: No cheating will be tolerated in this class. Cheating includes plagiarism from others or plagiarism from your own papers, sharing information, talking during a test, taking additional time than allowed, falsifying documents or any other way of getting information from a source that is not allowed or is not cited or any other form of cheating listed under the University Policy (<http://www.utdallas.edu/judicialaffairs/index.html>). This course will use the resource turnitin.com which searches the web for possible plagiarism and is over 90% effective. Any suspicion of cheating will be reported to Judicial Affairs and if you are found responsible, the recommendation will be to follow these guidelines:

- An infraction that a student is found responsible for but is minor AND was unintentional, the recommendation is one letter grade adjustment to the paper/exam.
- A moderate infraction will result in an F in the exam or project.
- Any student found responsible for a major infraction or a second infraction of any severity, will be disciplined with an F in this course.

Please note that if you are suspected of cheating and your case is in Judicial Affairs at the time of reporting grades, your grade will be "NR". If an employer requires this course or the completion of a degree, this could delay the finalization of the grade by an undetermined amount of time and threaten that employment. In the case of an NR, the student will be responsible for ensuring the grade change is submitted.

Comet Creed

This creed was voted on by the UT Dallas student body in 2014. It is a standard that Comets choose to live by and encourage others to do the same:

"As a Comet, I pledge honesty, integrity, and service in all that I do."

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.

Sharing Confidential Information	Class Attendance	Technical Support	Resources to Help You Succeed	Field Trip Policies, Off-Campus Instruction and Course Activities
Student Conduct and Discipline	Withdrawal from Class	Email Use	AccessAbility Services	Religious Holy Days
Academic Integrity	Incomplete Grade Policy	Copyright Notice		
	Student Grievance Procedures			

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