

**COURSE SYLLABUS**  
**Corporate Finance and Policy – FIN 6355-001 – Fall 2017**  
**THE UNIVERSITY OF TEXAS AT DALLAS - Naveen Jindal School of Management**

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**Course Information**

<i>Course Number/Section</i>	<b>FIN 6355- 001</b>
<i>Course Title</i>	<b>Corporate Finance and Policy</b>
<i>Term</i>	<b>Fall 2017</b>
<i>Days &amp; Times</i>	Saturdays, 1:00 pm – 3:45 pm
<i>Location</i>	JSOM 12.214

**Professor Contact Information**

<i>Professor</i>	David J. Springate, Ph.D. Finance Professor and Director, Center for Finance Strategy Innovation Academic Director, Executive MBA Programs
<i>Office Phone</i>	972-883-2647
<i>Email Address</i>	<a href="mailto:spring8@utdallas.edu">spring8@utdallas.edu</a> (eLearning email is preferred for the course.)
<i>Office Location</i>	JSOM 2.403
<i>Office Hours</i>	By appointment

**Administrative Contact Information**

<i>Administrative Assistant</i>	Jeanette Henriques (Copy me on all emails to the professor.)
<i>Office Phone</i>	972-883-4276
<i>Email Address</i>	<a href="mailto:Jeanette.Henriques@utdallas.edu">Jeanette.Henriques@utdallas.edu</a> (eLearning email is preferred for the course.)
<i>Office Location</i>	JSOM 1.803
<i>Office Hours</i>	8:00 a.m. – 5:00 p.m.

**Course Pre-requisite:** FIN 6301 or consent of instructor is required.

**Learning Objectives/Outcomes**

The aims of this course are to increase your professional capability and have you become a more informed and more effective manager or executive. We will be working with concerns of strategy, finance, and competitive advantage.

The course, and the cases therein, are intended to:

- Increase your capability to assess, determine, and build a company's competitive advantage. Corporate value maximization follows from long-run competitive advantage or market inefficiencies. Risk-adjusted returns above required minimum levels become possible. We will consider a number of strategies to build and maintain competitive advantage.
- Increase your effectiveness to deal with some of the implementation and financial decisions that arise in building and maintaining competitive advantage or capitalizing on market inefficiencies. Investment decisions and financing decisions act to both shape and support corporate strategy.
- Increase your ability to analyze and to apply the models, tools, and concepts of finance and modern finance theory. Models usually call for approximations, estimates, and judgments. They also call for data collection. We will be interested in appropriate applications and interpretation in the search for excess returns and increased value. Analysis is central to determining needed change and future options for action.
- Increase your ability to assess financial, corporate and environmental risks and to make suitable risk-management tradeoffs.
- Increase your ability to present your thoughts verbally and in writing. Presentation skills are important.

## Center for Finance Strategy Innovation

Your professor is director of the Center for Finance Strategy Innovation. It was founded in 2008 to focus on education and research programs in areas crucial to today's economy. Working with businesses, the center's focus is on new technologies and innovation, corporate transformations and restructurings, private equity finance and public-private partnerships. It publishes indexes tracking the economic health of Dallas-Fort Worth listed companies.

### Conduct of This Course

We will explore topics through instructor-led class discussion of real case situations faced by executives and managers, written submissions relating to these situations, and occasional contributions by outside experts. Classes will include elaboration of concepts and frameworks, analysis, case discussion including exploration of options for action, and final recommendations for action. Group work will be used at times in class and is encouraged before class. The course is built around individual preparation and discussion, not group presentations. You can expect to speak a lot in this class.

At the beginning of each class you will be expected to hand in a one or two-page summary write-up of the issues you see in the assigned case. This will be used in part of the evaluation process. Feedback will be provided to you. Assignments will be posted on e-Learning, the selected method of communication for the course. You will need a computer.

### Required Textbooks and Materials

Your finance textbook will serve well as a basic reference. In addition to the book below, you will need the 25 required cases, supplemental spreadsheets and case notes listed below. The cases can be purchased from Harvard Business Publishing. The link is <http://cb.hbsp.harvard.edu/cbmp/access/66892935>. On occasion, readings may be distributed to you via eLearning or handed out in class.



### Finance for Strategic Decision-Making: What Non-Financial Managers Need to Know

[M. P. Narayanan](#), [Vikram K. Nanda](#)

ISBN: 978-0-7879-6517-4

Hardcover

320 pages

April 2004, Jossey-Bass

## Cases, Supplemental Spreadsheets and Case Notes:

	<b>CASE No.</b>	<b>CASE TITLE</b>
1	910N31-PDF-ENG	Note on Cash Flow Valuation Models: Comparison of WACC, FTE, CCF and APV Approaches
2	716462-PDF-ENG	A Note on Activist Investors and the Tech Sector
3	R0403G-PDF-ENG	A Real World Way to Manage Real Options
4	CMR326-PDF-ENG	Three Decades of Scenario Planning in Shell
5	H03MS6-PDF-ENG	How Banks Can Compete Against an Army of Fintech Startups
6	KEL959-PDF-ENG	Orexigen: Valuing Contrave
7	UV7263-PDF-ENG	WNG Capital LLC,
8	UV7266-XLS-ENG	WNG Capital LLC, Student Spreadsheet
9	4230-PDF-ENG	Flash Memory, Inc.
10	4233-XLS-ENG	Flash Memory, Inc., Spreadsheet Supplement
11	717417-PDF-ENG	eBay vs. Carl Icahn, 2014
12	211020-PDF-ENG	Dow's Bid for Rohm and Haas
13	211704-XLS-ENG	Dow's Bid for Rohm and Haas, Spreadsheet Supplement
14	913517-PDF-ENG	Hill Country Snack Foods Co.
15	913519-XLS-ENG	Hill Country Snack Foods Co., Spreadsheet Supplement
16	UV6895-PDF-ENG	J.C. Penney Company
17	UV6898-XLS-ENG	J.C. Penney Company, Spreadsheet Supplement
18	UV7227-PDF-ENG	Roxboro Machine Tools Corporation
19	UV7230-PDF-ENG	Roxboro Machine Tools Corporation, Student Spreadsheet
20	W15457-PDF-ENG	Asahi India Glass Limited: Leverage, A Double-Edged Sword
21	216039-PDF-ENG	Supply Chain Finance at Procter & Gamble
22	216713-XLS-PDF	Supply Chain Finance at Procter & Gamble, Spreadsheet Supplement
23	W17113-PDF-ENG	F. Mayer Imports: Hedging Foreign Currency Risk
24	213080-PDF-ENG	FX Risk Hedging at EADS
25	UV7225-PDF-ENG	Cutting Through the Fog: Finding a Future with Fintech

Assignment Page and Calendar\* - Corporate Finance and Policy – Fall 2017 – Dr. David Springate

Week	Date	Course Section	Topics	Case*	Associated Readings	
1	August 26	INTRODUCTION	<ul style="list-style-type: none"> <li>• Class introductions</li> <li>• Syllabus</li> <li>• Course expectations</li> <li>• Grading policy</li> </ul>	None	Chapter 1	
2	September 9	INVESTMENTS AND STRATEGY	<ul style="list-style-type: none"> <li>• Project Valuation</li> <li>• Uncertainty</li> </ul>	Orexigen: Valuing Contrace	<ul style="list-style-type: none"> <li>• Note on Cash Flow Valuation Models: Comparison of WACC, FTE, CCF and APV Approaches</li> <li>• Chapter 2</li> <li>• Chapter 3</li> </ul>	
3	September 16		<ul style="list-style-type: none"> <li>• Risk-Adjusted Discount Rates</li> <li>• Leasing</li> </ul>	WNG Capital LLC		
4	September 23		<ul style="list-style-type: none"> <li>• Planning for Funds Needs</li> </ul>	Flash Memory, Inc.		
5	September 30		<ul style="list-style-type: none"> <li>• Activist Investors</li> </ul>	eBay vs. Carl Icahn, 2014		<ul style="list-style-type: none"> <li>• A Note on Activist Investors and the Tech Sector</li> </ul>
6	October 7		<ul style="list-style-type: none"> <li>• Mergers and Acquisitions</li> </ul>	Dow's Bid for Rohm and Haas		<ul style="list-style-type: none"> <li>• Chapter 6</li> <li>• Chapter 7</li> </ul>
7	October 14	FINANCING STRATEGY	<ul style="list-style-type: none"> <li>• Capital Structure Choices Under Favorable and Pressured Situations</li> </ul>	Hill Country Snack Foods Co	Chapter 4	
Assigned Paper 1				J.C. Penney Company		
8	October 21		<ul style="list-style-type: none"> <li>• Dividend and Share Repurchase Policy</li> </ul>	Roxboro Machine Tools Corporation	Chapter 5	
9	October 28		<ul style="list-style-type: none"> <li>• Deleveraging</li> </ul>	Asahi India Glass Limited: Leverage, A Double-Edged Sword		
10	November 4		<ul style="list-style-type: none"> <li>• Working Capital Policy</li> </ul>	Supply Chain Finance at Procter & Gamble	Chapter 9	
11	November 11	RISK MANAGEMENT	<ul style="list-style-type: none"> <li>• Foreign Exchange Risk Management</li> </ul>	F. Mayer Imports: Hedging Foreign Currency Risk	Chapter 8	
Assigned Paper 2				FX Risk Hedging at EADS		
12	November 18		<ul style="list-style-type: none"> <li>• Scenario Planning</li> </ul>	Three Decades of Scenario Planning at Shell	A Real World Way to Manage Real Options	
14	December 2	<ul style="list-style-type: none"> <li>• Fintech</li> </ul>	Cutting Through the Fog: Finding a Future with Fintech	How Banks can Compete Against an Army of Fintech Startups		

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

## Grading Policy

### Grading Reports

A 4.0 GPA scale will be used. The numbers reported to you in e-Learning and on written assignments correspond to the letters below:

A	A-	B+	B	B-	C+	C	P	F	I
4.0	3.67	3.33	3.00	2.67	2.33	2.00	Pass	Fail	Incomplete

### Evaluation

The course evaluation is comprised of three elements.

- Your preparation for class discussion will be judged. As explained, you are expected to bring a one or two-page brief summary of your findings and recommendations to class each week. This can reflect prior discussions with your study group members and can be submitted on e-Learning prior to class start. This will count for approximately 25% of the course grade. Feedback will be provided weekly.
- Professor's assessment of your participation in discussion and class activities will be recorded each week. You are expected to participate in the on-going examination of case issues and to help build toward an analysis that is robust but one that allows differing individual recommendations for action. The composite assessment of participation will count for approximately 25% of the course grade. Feedback will be provided twice during the course.
- The third element includes individual written analysis of two cases (five pages plus exhibits). These are, expressly, individual assignments and not a group or shared activity. You will have two weeks to complete each case, once assigned. The grade will be based on thoughtful, analytical well-explained examination of case issues and the recommendations you make. Each case will account for approximately 25% of the course grade. You will get written feedback on your submission. Papers are expected to be of a considerably higher quality standard than those submitted weekly.

### Final Grades

After computation and if deemed necessary by the professor, grades will be adjusted to more accurately show the academic progress and capability of each student.

### Course & Instructor Policies

#### *Late Work*

All work should be submitted even if late. Penalties may apply.

#### *Class Attendance*

Grades depend, in part, on attendance. You are expected to be in class.

#### *Classroom Citizenship*

Participation calls for due respect of classmates and the instructor. Do not embarrass yourself. Come prepared to class with required readings and case preparation completed.

## Field Trip Policies

None

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## 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 includes, but is not limited to, statements, acts or omissions related to applications for enrollment or the award of a degree, and/or the submission as one's own work or material that is not one's own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion and/or falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings.

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.

## 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, a professor 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)

Essentially, the law requires that colleges and universities make those reasonable adjustments necessary to eliminate discrimination on the basis of disability. For example, it may be necessary to remove classroom prohibitions against tape recorders or animals (in the case of dog guides) for students who are blind. Occasionally an assignment requirement may be substituted (for example, a research paper versus an oral presentation for a student who is hearing impaired). Classes enrolled students with mobility impairments may have to be rescheduled in accessible facilities. The college or university may need to provide special services such as registration, note-taking, or mobility assistance.

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.