# FIN 357 - Fall 2013 Business Finance

Instructor: Ari Kang Office Hours: TTH, 12:15-1:00 pm Office: CBA 6.326 TA Office Hours: Kang, MW, 11 - noon

E-mail: ari.kang@mccombs.utexas.edu Swem, F, 10-11 am

Office Phone: (512)232-6757

# TA information

Ricki Dolan: BRB 4.116, ricki@utexas.edu

Chang-Mo Kang: CBA 3.332C, Chang-Mo.Kang@phd.mccombs.utexas.edu Nathan Swem: CBA 5.334N2, Nathan.Swem@phd.mccombs.utexas.edu

#### Textbook

Fundamentals of Corporate Finance by Berk, DeMarzo, and Hartford

#### Course Website

Canvas (https://utexas.instructure.com/courses/1029273)

#### **Additional Materials**

All students should enroll in MyFinanceLab, as detailed in the course handout. Students are strongly recommended to have access to *The Wall Street Journal*.

#### Course Description

Principles of finance, with application to all aspects of the business firm; particular attention to cost of capital, investment decisions, management of assets, and procurement of funds.

# **Prerequisites**

Accounting 311 or 311H, 312 or 312H, Economics 304K and 304L, and Statistics 309 or 309H; and credit or registration for Business Administration 324 or 324H.

CALCULUS IS A PREREQUISITE FOR ALL BUSINESS MAJORS. CALCULUS WILL BE USED IN THIS CLASS. DO NOT COMPLAIN ABOUT THIS ASPECT OF THE CLASS.

# Trading Exercises

Several class periods will be dedicated to trading exercises based on papers in the experimental economics literature. Games will be played with experimental currency, and I will keep track of each player's earnings. Earnings will convert to a form of non-monetary compensation to be determined.

#### **Problem Sets**

Problem sets will be assigned primarily through MyFinanceLab, although other supplemental exercises may be included. I encourage you to make use of the TAs' office hours if you have difficulty with the problems.

# Cases

I anticipate assigning two cases, which will be completed in teams.

# Quizzes

There will be three quizzes covering material from problem sets. These will occur during class time.

# Grading

Exam I (September 26):	20%
Exam II (October 29):	20%
Exam III (December 3):	20%
Quizzes (Sept. 17, Oct. 15, Nov. 19):	20%
Case reports (total):	10%
Homework:	10%

The class will be "curved" in the sense that there is no established mapping between numerical grades on exams and final grades. I will provide sufficient statistical information about the distribution of grades on exams and other assignments that you will be able to tell where you stand.

Students turning in assignments late without good reason will generally receive a zero on the assignment. Students failing to turn in an assignment at all will fail the class except in extraordinary circumstances.

#### Course Schedule

The detailed course schedule can be found at the course website under Syllabus. Pay attention to when the exams take place.

# **Course Policies**

- Students are responsible for all material in the reading and in the lectures. These will not always overlap.
- Students are responsible for finding out about any administrative announcements made during lectures that they miss.
- Any request for a makeup exam or quiz based on medical or family reasons MUST go through Student Emergency Services. THERE ARE NO EXCEPTIONS TO THIS POLICY.

#### Makeups

Students missing an exam for good reason, including and more or less limited to (documented) illness or death (or extremely serious illness) in the immediate family, may be given the opportunity to make up the exam or may instead have the other exams and quizzes count for a higher percentage of the grade, at my discretion. Students missing an exam for a reason that I do not consider "good" (e.g. oversleeping, travel for weddings) will, at my discretion, either (1) receive a zero on the exam or (2) take the makeup exam and receive the lower of the two class grades, calculated with and without the makeup exam. ANY ATTEMPT TO ABUSE THIS POLICY OR TO EXPLOIT MAKEUPS TO PASS INFORMATION ABOUT THE EXAM WILL BE CONSIDERED THE MOST AGGRAVATED FORM OF CHEATING. I have found that makeups are routinely abused for cheating or to just get extra time to study, so I will be very wary of makeup requests.

# Grading Disputes

You will have an opportunity to look over your exams during class and to look at them further in the

Finance office. I may field questions about grading during the class in which we go over the exam, but all further grading complaints must be submitted *in writing*.

# Students with Disabilities

The University of Texas at Austin provides upon request appropriate academic accommodations for qualified students with disabilities. For more information, contact the Office of the Dean of Students at 471-6259, 471-4641 TTY.

# **Academic Integrity**

Official University Statement: The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the Policy Statement on Scholastic Dishonesty for the McCombs School of Business: By teaching this course, I have agreed to observe all of the faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all of the student responsibilities described in that document. If the application of that Policy Statement to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification. Policy on Scholastic Dishonesty: Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course an/or dismissal from the University. Since dishonesty harms the individual, all students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at http://deanofstudents.utexas.edu/sjs/ or the General Information Catalog to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

#### Class website

Password-protected class sites will be available for all accredited courses taught at The University. Syllabi, handouts, assignments and other resources are types of information that may be available within these sites. Site activities could include exchanging e-mail, engaging in class discussions and chats, and exchanging files. In addition, class e-mail rosters will be a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on restricting directory information see: http://www.utexas.edu/student/registrar/catalogs/gi02-03/app/appc09.html.