



FIN 320F Foundations of Finance, Fall 2015

Unique #03660: MW 9:30 – 11:00, UTC 2.102A

Unique #03665: MW, 11:00 – 12:30UTC 2.102A

Section 1. Objective

Welcome to Foundations of Finance! The purpose of this course is to help you develop a basic understanding of the US financial system, corporate finance, and financial investments.

Section 2. Contact Information

Professor: Heidi Toprac

Office: CBA 2.232

Office Hours: Thursdays 9:30 – 11:30 a.m. and 1:00 – 4:00 p.m., and by appointment

Email: heidi.toprac@mcombs.utexas.edu

TAs: Kevin Li and Clay Bryant

Please refer to the announcements on Canvas for your TAs' office hours and contact information.

Feel free to drop in unannounced during our office hours. Otherwise, email is the best way to reach us. Please bear in mind that the federal student privacy policy (FERPA) prohibits us from discussing grade-related information via telephone or email.

Section 3. Prerequisites

To remain enrolled in FIN 320F, you must have successfully completed ACC 310F (or ACC 311 and ACC 312). Students lacking this prerequisite will be dropped. If you have concerns or issues, please visit the McCombs BBA Program Office, CBA 2.400, for assistance.

Section 4. Tools & Materials

i>clicker: We will be using the i>clicker remote student response system to check homework each day. You can use your existing clicker, or purchase a new or used one at the Co-op or online. **You must register your clicker on Canvas** and start bringing it to class by the 2nd class day. To register your clicker, go to the FIN 320F Canvas page, select "i>Clicker" from the left-hand menu bar, and click on "i>clicker Registration." Enter the clicker number as instructed, and click "Register."

If your clicker number has rubbed off, the i>clicker website has a look-up function you can use. Alternatively, stop by during my office hours to locate the number.

If you get a new clicker any time after the 2nd class day, register it (see above) and email me your name, eid, unique number, and clicker number. You will receive points for all of the “clicks” sent by your new clicker, effective as of the date that your clicker is registered and your email to me has been sent.

Note that you are not allowed to share, borrow or use a classmate’s clicker. UT policy dictates that allowing another student to use your clicker, using another student’s clicker, or simply having more than one clicker in your possession is a violation of scholastic integrity requirements. At a minimum, violators will lose one entire letter grade for the semester and will be reported to Student Judicial Services. Additional penalties may apply. Appropriate clicker usage will be randomly verified during the semester.

Text: We will be using CFIN, written by Scott Besley and Eugene Brigham, published by Cengage. Any edition of the book is fine. The book is available at the Co-op or from cengagebrain.com. The newest edition of the book has more practice problems at the end of each chapter than the older editions do.

Calculator: You will need a calculator that can perform financial functions (eg. INT, PV, PMT, IRR). My favorite is my old *TI-83 Plus* (if you press the “APPS” key, you can turn it into a financial calculator). See http://www.tvmcalcs.com/calculator_index for calculator recommendations and instructions on their use. You may not use a cell phone or iPod as your calculator during exams.

Batteries: Bring 4 AAA batteries to class each day to support your clicker and calculator.

Canvas: All course materials will be posted on Canvas. Information in Canvas is protected by your UTEID login. Please be aware that I will use a merged Canvas site for all sections of the course that I am teaching this semester. This will allow students in other sections to see that you are enrolled in the course and send you email from within Canvas. However, they will not actually learn your email address and no other personal data will be revealed through Canvas. If you have any concerns, please contact the ITS Help Desk at 475-9400 for help removing your name from view of other students.

Email: From time to time, I may need to email you. The communications policy in the General Information Catalog states: "Electronic mail (e-mail), like postal mail, is a mechanism for official University communication to students. The University will exercise the right to send e-mail communications to all students, and the University will expect that e-mail communications will be received and read in a timely manner." You can verify and/or update your email address here: https://utdirect.utexas.edu/apps/utd/all_my_addresses/

Software: All course materials will be prepared using the *Microsoft Office 7* suite of products.

Section 5. Grades

Your grade in this course will be determined by your performance on homework and exams.

- Exams: 3 highest exams (out of 4 possible, including the final) @ 30% each 90%
- Homework: Submitted daily; the 5 lowest days (in % terms) will be dropped 10%
- Course Total 100%

Check Canvas each day to ensure your grades are being posted correctly. If you suspect an error in grading, you must contact me within 1 week of the date that the exam or homework assignment was due. Exam scores will be posted on Canvas within 24 hours of each exam. Homework scores will be posted daily. (See course schedule for exact dates.) Grade-related issues that are not resolved within 1 week of the due date will be subject to a penalty, as follows: after 1 week, your score will be reduced by 25%. After 2 weeks, your score will be reduced by 50%. After 3 weeks, the disputed item is no longer eligible for credit.

Final grades are standards-based, rather than norms-based, so there is no need for an artificial curve. Final grades will be assigned as indicated in the table below.

From	To	Grade	Grade Points	
93	100	A	4.00	The lowest passing grade is a D-. In other words, you must earn a total course score of at least 60% to pass FIN320F.
90	92	A-	3.67	
87	89	B+	3.33	You must take a minimum of three exams to pass FIN 320F.
83	86	B	3.00	
80	82	B-	2.67	Standard rounding rules apply: total course scores ending in .5 and higher will be rounded up to the next whole number; total course scores ending in .4 and lower will be rounded down.
77	79	C+	2.33	
73	76	C	2.00	
70	72	C-	1.67	
67	69	D+	1.33	FIN320F may not be taken pass/fail if you are seeking the Business Foundations Program certificate. For details, see www.mcombs.utexas.edu/bba/business-foundations .
63	66	D	1.00	
60	62	D-	0.67	
0	59	F	0.00	

Section 6. Homework

Finance is, in many respects, an applied math class. As in most math classes, you will be assigned homework every day. Assignments will be posted on Canvas. We will spot-check your answers during class the following day, using the i>clicker student response system. For example, on our first day of class we will discuss Unit 0.1. After attending class, go to Canvas, download Homework 0.1 and answer the questions. On our second day of class, you will be asked to use your clicker to enter your answers to selected Unit 0.1 questions. You will have the opportunity to earn several homework points each day. Opinion questions will be worth one point. Questions that have a correct answer will be worth two points: one point for answering the question, and one point for selecting the correct answer. When calculating the homework portion of your final course grade, your 5 lowest homework scores will be dropped.

If you forget your clicker or if your clicker runs out of batteries, you will miss the points for that day. **There are no make-up opportunities for missed homework.** If you cheat—for example, if you use a clicker that is registered in someone else's name, or if you arrange for a classmate to enter your answers on your behalf—you will be subject to serious penalties, up to and including expulsion. Please see Section 4 for more information.

Section 7. Exams

The exams in this course are designed to measure how well you have synthesized the concepts learned in class. There will be three in-class exams—one for each section of the course. Each exam will be non-comprehensive; that is, each exam will cover only the material related to that section. Bear in mind that the material builds on itself during the semester. There will also be an optional final exam during the final exam period. The final exam will be comprehensive; that is, it will cover material from the entire semester. **Your goal is to avoid the final exam.**

Each exam will have 33 multiple-choice questions (each worth 3 percentage points) plus 1 free bonus point. Everything in your text, on Canvas and distributed and/or discussed in class is subject to examination. Bring your pencils, calculator(s), extra batteries and picture ID to each exam. If you forget your calculator or if it runs out of batteries during an exam, you can rent a calculator from me for the duration of the exam. The cost is one exam question. You may not use a cell phone, i-pod, or other multi-function wireless device during an exam.

There will be a formula sheet attached to each exam, so you need not bring your own.

All exams and bubble sheets will be collected at the end of each exam period, whether or not you have finished recording your answers. If you take your exam in a section other than the one in which you are registered, a 10-point penalty (the equivalent of one letter grade) will be deducted from your exam score. If any manual processing of your exam is required because, for example, you mis-bubbled your name, eid number, or test form letter, or made unreadable smudges or stray marks on your bubble sheet, a 3-point penalty (the equivalent of one exam question) will be deducted from your exam score.

You must take three exams to pass the course. If you miss an exam—because of illness, an accident, family issues, a funeral, a job interview, a sporting event, etc.—the final exam will serve as your make-up exam. **The comprehensive final exam is the one and only make-up exam for the entire semester.** It, too, will have 33 multiple-choice questions and 1 free bonus point. The lowest one of your four exam scores will be dropped when computing your final course grade. This means that if you are satisfied with your overall course score at the end of the semester, and you have already taken three exams, you can skip the final exam.

The final exam will be a uniform final; that is, students from both sections of FIN 320F will be taking the final exam together. The dates and times of uniform finals are determined by the Registrar very late in the semester—usually three weeks before the last class day. As soon as the Registrar has posted the date and time for our final, I will announce it in class and on Canvas. In past semesters, our final exam has occurred during the last period of the last day of finals week. If that holds true this semester, our final exam will occur at 7:00 p.m. on Tuesday, Dec 15th. Please recognize that I cannot make exceptions to the final exam schedule, regardless of your travel, wedding, surgery, job, family, etc. arrangements.

The Registrar will also schedule a make-up final exam. This make-up exam is available only to those students who have another final exam scheduled at the same time as our uniform final exam. The make-up final is not for students who have already purchased plane tickets, scheduled a job interview, or planned any other sort of event that conflicts with the uniform final exam. I cannot make exceptions; please do not ask me to do so.

Section 8. Academic Integrity

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 the faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe 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. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/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. Refer to the [Student Judicial Services website](#) 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.

Section 9. Campus Safety

“Please note the following information from the Office of Campus Safety and Security, 512-471-5767, <http://www.utexas.edu/safety>:

- *If an alarm is activated, we are required to exit the building. Please follow my instructions.*
- *Familiarize yourself with all exit doors. Remember that the nearest exit door may not be the one you used when entering the building.*
- *Students requiring assistance in evacuation should inform me via email immediately.*
- *Do not re-enter a building unless given instructions to do so by the Austin Fire Department, or the University of Texas at Austin Police Department or Fire Prevention Services.*
- *Concerns? Call the Behavior Concerns Advice Line (BCAL) at 512-232-5050.*
- *Further information regarding emergency evacuation routes and emergency procedures can be found at: <http://www.utexas.edu/emergency>.”*

Section 10. Students with Disabilities

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, <http://www.utexas.edu/diversity/ddce/ssd/>.

Section 11. Religious Holy Days

I have employed the [Interfaith Calendar](#) in an attempt to structure the course schedule to avoid conflicts with major religious and cultural holidays. If you miss a homework assignment due to

a religious holiday, we will simply drop that day when computing your homework score. If you need to miss an exam, UT Austin policy states that “you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day.”

Section 12. Course Schedule

Please be advised that this schedule is subject to change. Any changes that occur will be announced during class and on Canvas.

	Day	Date	Unit	Topic and/or Activity	Reading*	Due	
August	Wed	26	0.0 0.1	Introduction to FIN 320F Investor Expectations	Syllabus	--	
	Mon	31	1.0 1.1	Introduction to Section 1: The Financial System Financial Instruments: Debt	Chapter 6	0.1	
September	Wed	2	1.2	Financial Instruments: Equity	Chapter 7	1.1	
	Mon	7	--	Labor Day Holiday		--	
	Wed	9	1.3	Financial Markets & Participants	Chapter 3	1.2	
	Mon	14	1.4	Measuring Performance		1.3	
	Wed	16	1.5	Mutual Funds		1.4	
	Mon	21	1.6	The Federal Reserve		1.5	
	Wed	23	1.7	Determinants of Interest Rates	Chapter 5	1.6	
	Mon	28	1.8	Yield Curves and Risk Premiums		1.7	
	Wed	30	Exam 1				
October	Mon	5	2.0 2.1	Introduction to Section 2: Financial Analysis Business Organization	Chapter 1	--	
	Wed	7	2.2	Income Taxes		2.1	
	Mon	12	2.3	Financial Reporting	Chapter 2	2.2	
	Wed	14	2.4	Ratio Analysis		2.3	
	Mon	19	2.5	Forecasting		2.4	
	Wed	21	2.6	Additional Financial Analysis		2.5	
	Mon	26	2.7	The Capital Asset Pricing Model	Chapter 8	2.6	
	Wed	28	Exam 2				
November	Mon	2	3.0 3.1	Introduction to Section 3: Time Value of Money Compounding	Chapter 4	--	
	Wed	4	3.2	Discounting		3.1	
	Mon	9	3.3	Amortization		3.2	
	Wed	11	3.4	Bond & Stock Valuation	Chapters 6 & 7	3.3	
	Mon	16	3.5	Capital Budgeting, part 1	Chapters 9 & 10	3.4	
	Wed	18	3.6	Capital Budgeting, part 2		3.5	
	Mon	23	3.7	Capital Structure	Chapters 11 & 12	3.6	
	Wed	25	3.8	Video: Frontline		--	
	Mon	30	3.9	Conclusion		3.7	
Dec	Wed	2	Exam 3				
	Tue	15	Probable Date of Final Exam				

*Refer to the exam module(s) in Canvas for exact page numbers for all readings.