



Course Syllabus

FIN 357 Business Finance, Fall 2015

Unique 03705: MW 2:00-3:30 p.m., UTC 3.124

Unique 03720: MW 3:30-5:00 p.m., UTC 3.124

Section 1. Course Objective

Welcome to Business Finance! FIN 357 introduces concepts and analytical techniques to identify and solve financial management problems. It serves as the basis for all other courses in the area of finance and provides basic tools that every business student will need to be successful in his or her chosen career. In addition, these tools and techniques will provide the basic understanding to make personal financial decisions.

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. If any of us needs to change our office hours, it will be announced during class and on Canvas.

Section 3. Tools & Materials

Text: We will be using Berk and DeMarzo, **Corporate Finance: The Core, 3rd edition**, Boston, MA., Pearson 2014. There are several purchase options regarding the format of the text, including hardcover, looseleaf and etext. Be sure that the format you select includes access to MyFinanceLab.com. Do not select a trial version. If the trial ends before the semester ends, you will lose your work and all of your credit for that work.

MyFinanceLab: In addition to the text, we will be using MyFinanceLab for all homework assignments. Instructions for accessing MyFinanceLab were emailed prior to the start of the semester, and also can be found on the last page of this syllabus.

Calculator: You will need a calculator that can perform financial functions (eg. N, I, PV, PMT, FV). The HP 10B II + is strongly suggested. You will not be allowed to use a cell phone or online financial calculator during exams, nor will you be allowed to share your calculator with another student during an exam.

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 both sections of the course that I am teaching this semester. This will allow students in the other section 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/

Periodicals: It is highly recommended that you begin (or continue) the lifelong process of remaining abreast of business impacts of current events. Suggested reading includes *The Wall Street Journal* and *The Financial Times* (both are daily newspapers), and *The Economist*, *Business Week*, and *Fortune* magazines. Instructions for subscribing at reduced student prices will be posted on Canvas.

Section 4. Prerequisites

To remain enrolled in FIN 357, you must have successfully completed STA 309 or 309H, and have completed or registered for ACC 312 or 312H, and B A 324 or 324H. Students lacking these prerequisite will be dropped. If you have concerns or issues, please visit the McCombs BBA Program Office, CBA 2.400, for assistance.

To succeed in FIN 357, you must demonstrate competency in the basics of accounting and time value of money. The introduction to financial reporting in chapter 2 (sections 2.1-2.5) and the introduction to time value of money (TVM) in chapter 4 (sections 4.1 and 4.2) are considered review. These topics will not be covered in class. If possible before our first class meeting, but no later than the dates in "Section 13 Course Schedule" of this syllabus, you must complete the assignments on MyFinanceLab entitled "Accounting Review" and "TVM Review" These assignments are intended to help you gauge your level of preparedness for this class. Successful completion of any question will earn you 0.5 points on Exam I. In total, these two review assignments are worth 10 points on Exam I (2.5 points for the accounting material and 7.5 points for the TVM material). This is not extra credit. It represents 10% of your Exam 1 score.

Section 5. Support Resources

During the second week of the semester, several 90 minute TVM workshops will take place to help you master financial calculator operations and TVM basics. If you wish to attend, please arrive a few moments before the scheduled start time.

Throughout the entire semester, the Finance Lab offers drop-in tutoring and assistance with homework. Feel free to come and go as needed whenever the Finance Lab is open.

Event	Dates	Times	Location
TVM Workshops	Sep 1, 2 & 3	5:00-6:30 p.m.	UTC 3.134
TVM Workshops	Sep 1, 2 & 3	6:30-8:00 p.m.	UTC 3.134
Finance Lab	Every MTW from Sep 8 to Dec 2	5:00-8:00 p.m.	CBA 4.330
Finance Lab	Every MTW from Sep 8 to Dec 2	12:00 noon-2:00 p.m.	CBA 4.112AN

Section 6. Grading

Your grade in this course will be determined by your performance on the following:

- Exams: Exams 1 and 2 @ 25%; Exam 3 @ 30% 80%
- Spreadsheet projects: 3 projects at 3.33% each 10%
- Homework: 5 highest (out of 6 possible) assignments @ 1% each 5%
- In-class valuation exercise 5%
- Course Total 100%

The McCombs grading guidelines recommend a GPA range from 3.0 to 3.2 for undergraduate business core courses. Historically, the numerical cut-off for each letter grade was as shown below. The actual cut-off will depend on overall class performance. In other words, past performance is not a guarantee of future results. The university approved +/- grading system will be used.

A	93%-100%	B-	80-82%	D+	67-69%
A-	90-92%	C+	77-79%	D	63-66%
B+	87-89%	C	73-76%	D-	60-62%
B	83-86%	C-	70-72%	F	0-59%

Make-up or extra work to improve your grade is not possible. Your final letter grade will be determined by the criteria set forth above.

Section 7. Exams

There will be three exams in this course, each of which will occur in the evening. Each exam will be multiple choice, and will include both concept- and calculation-based questions. All material covered in the course, including readings from the text, readings from supplementary materials, class discussions, and required and suggested homework are subject to examination.

Each exam will be non-comprehensive; that is, each will cover only the material related to that section. However, the material will build on itself as we proceed through the semester.

Exams can be reviewed during my office hours, after they have been graded.

All students taking FIN 357 this semester will take common evening exams. Exams will take place from 6:00 to 8:00 p.m. on the dates noted in the course schedule. Locations will be announced during class. The Finance department has confirmed that these evening exams do not conflict with any other exams on the Dean's master list of undergraduate evening exams.

Make up exams are offered for the following limited and compelling reasons:

- A conflict with another UT course,
- Participation in an intercollegiate athletic event,
- A conflict with a University-recognized religious holy day,
- A medical event (such as illness or injury) documented by [Student Emergency Services](#).

If you have any circumstance other than a medical emergency which will necessitate taking a make-up exam, you must notify me and provide appropriate documentation no later than Wednesday, September 9th. Make-up exam dates are listed below; locations will be announced as needed.

- Make-up Exam 1: Friday, September 25th, 3:00-5:00 p.m.
- Make-up Exam 2: Friday, October 30th, 3:00-5:00 p.m.
- Make-up Exam 3: Friday, December 4th, 3:00-5:00 p.m.

Section 8. Homework

Required: There are six sets of required problems on MyFinanceLab, entitled HW1, HW2, HW3, etc. The assignments are not graded, but are judged on completion. A completed assignment will earn a score of 100%. The average of the 5 highest homework scores will result in your Homework score for the course. In other words, the lowest score will be dropped.

Due dates are provided in the course schedule and MyFinanceLab. Assignments are due by 11:59 pm (one minute before midnight) on the due date. Note: The Accounting Review and TVM Review are not homework assignments; they are part of your Exam 1 score (see Section 4: Prerequisites).

Suggested: Working problems is a necessary but insufficient exercise for success in this course. However, the more problems you work, the greater your likelihood of success. In addition to the required homework problems, additional problems are listed under "Suggested Problems." These problems will not be collected or graded; however, on a rotating basis, students may be called on during class to provide solutions.

Section 9. Religious Holy Days

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

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 (SSD), 512-471-6259, <http://www.utexas.edu/diversity/ddce/ssd/>. If you are eligible for academic accommodations you must present your SSD letter to me at least two weeks before you intend to employ the accommodation. Accordingly, the academic accommodation notification deadlines for each exam are as follows:

- Exam 1: September 9th, 2015
- Exam 2: October 14th, 2015
- Exam 1: November 19th, 2015

Section 11. 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 12. Campus Safety

Please note the following recommendations regarding emergency evacuation, provided by the Office of Campus Safety and Security, 512-471-5767, <http://www.utexas.edu/safety/>:

- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.
- Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.
- Students requiring assistance in evacuation should inform the instructor in writing during the first week of class.
- In the event of an evacuation, follow the instruction of faculty or class instructors.
- Do not re-enter a building unless given instructions by the following: Austin Fire Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.
- Behavior Concerns Advice Line (BCAL): 512-232-5050

- Further information regarding emergency evacuation routes and emergency procedures can be found at: <http://www.utexas.edu/emergency>.

Section 13. Course Schedule

This schedule is subject to change. Changes, if any, will be announced in class and on Canvas.

	Day	Date	Topic and/or Activity	Reading	Required	Suggested	
Aug	Wed	26	Introduction, The Corporation	Syllabus, Ch 1	6,7	1-5,11,15	
	Mon	31	Intro to Financial Statement Analysis	Ch 2	30,36,42	8,9,11,15,21, 22,28,33,39	
September	Wed	2	Financial Decision Making & The Law of One Price	Ch 3, excluding Appendix	1,2,6,9,12,15	4,7,10,11,14	
	Sat	5	Accounting Review & TVM Review Due				
	Sun	6	HW1 Due				
	Mon	7	Labor Day Holiday				
	Wed	9	The Time Value of Money	Ch 4, including appendix	11,14,16,19, 22,32,36,46	12,13,20,29, 31,34,37	
	Mon	14	Interest Rates Project 1 Due	Ch 5, excluding Appendix	2,3,9,13,22, 26,28,34,39	10,14,18,20, 36	
	Wed	16	Valuing Bonds	Ch 6, excluding 6.5 & Appendix	1,2,3,7,10,19, 28	4,6,11,14,22, 29	
	Mon	21	Valuing Bonds (continued) HW2 Due				
	Wed	23	Exam 1, 6:00-8:00 p.m., location TBA				
	Mon	28	Investment Decision Rules	Ch 7, excluding Appendix	1,2,5,15,19, 21,29	3,6,14,24,25, 30,31	
	Wed	30	Fundamentals of Capital Budgeting	Ch 8, excluding Appendix	1,4,6,12	2,3,8,9,13,18	
October	Mon	5	Fundamentals of Capital Budgeting (continued)				
	Wed	7	Valuing Stocks HW3 Due	Ch 9, excluding 9.3 & 9.4	1,2,5,8,13	3,6,10,12,16	
	Mon	12	Capital Markets and the Pricing of Risk	Ch 10	2,4,5,7,26,37	16,20,22,29, 30,33	
	Wed	14	Optimal Portfolio Choice and the CAPM	Ch 11, excluding Appendix	1,9,12,16,21, 34,48	2,4,10,17,22	
	Mon	19	Optimal Portfolio Choice (continued) Project 2 Due				
	Wed	21	Estimating the Cost of Capital	Ch 12, excluding Appendix	1,4,10,14,18	2,5,15,19,20	
	Mon	26	Estimating the Cost of Cap (continued) HW4 Due				
Wed	28	Exam 2, 6:00-8:00 p.m., location TBA					

	Day	Date	Topic and/or Activity	Reading	Required	Suggested
November	Mon	2	Investor Behavior & Capital Market Efficiency	Ch 13, excluding 13.7 & Appendix	None ☺	1,3,5,6,8,14,16
	Wed	4	Capital Structure in a Perfect Market	Ch 14	1,3,5,13	2,4,6,9,10
	Mon	9	Debt and Taxes HW5 Due	Ch 15, excl 15.4	1,6,10,25	3,8,11,16
	Wed	11	Financial Distress, Managerial Incentives, and Information	Ch 16	1,4	3,5,8,11,16a,19,27
	Mon	16	Financial Distress, etc. (continued) Project 3 Due			
	Wed	18	Capital Budgeting and Valuation with Leverage	Ch 18, excl 18.4, 18.8 & Appendix	1,4,8	6,12,15,23
	Mon	23	Valuation Modeling In-class Valuation Exercise	Ch 19	None	
	Wed	25	Payout Policy	Ch 17, excluding 17.5	2,5,31	3,7,29,33,34
	Mon	30	Financial Option HW6 Due	Ch 20	None	1-7
	Thu	3	Exam 2, 6:00-8:00 p.m., location TBA			

If you are enrolled in unique number 03705...

Pearson's MyLab & Mastering Student Registration Instructions

MyFinanceLab™

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To register for **FIN 357 03705**:

1. Go to www.pearsonmylabandmastering.com.
2. Under Register, select **Student**.
3. Confirm you have the information needed, then select **OK! Register now**.
4. Enter your instructor's course ID: **toprac90263**, and **Continue**.
5. Enter your existing Pearson account **username** and **password** to **Sign In**.
You have an account if you have used a Pearson product, for example: MyMathLab, MyITLab, MyPsychLab, MySpanishLab or Mastering, such as MasteringBiology.
> If you don't have an account, select **Create** and complete the required fields.
6. Select an access option.
> Use the access code that came with your textbook or that you purchased separately from the bookstore.
> Buy access using a credit card or PayPal account.
> If available, get 14 days temporary access. (The link is near the bottom of the screen.)
7. From the confirmation page, select **Go To My Courses**.
8. On the My Courses page, select the course tile **FIN 357 03705** to start your work.

To sign in later:

1. Go to www.pearsonmylabandmastering.com.
2. Select **Sign In**.
3. Enter your Pearson account **username** and **password**, and **Sign In**.
4. Select the course tile **FIN 357 03705** to start your work.

To upgrade temporary access to full access:

1. Go to www.pearsonmylabandmastering.com.
2. Select **Sign In**.
3. Enter your Pearson account **username** and **password**, and **Sign In**.
4. Select **Upgrade access** from the course tile **FIN 357 03705**.
5. Enter an access code or purchase access with a credit card or PayPal account.

For a registration overview, go to www.pearsonmylabandmastering.com/students/get-registered. Scroll down to **Need a little help?** and select a video.]

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Pearson's MyLab & Mastering Student Registration Instructions

MyFinanceLab™

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To register for **FIN 357 03720**:

1. Go to www.pearsonmylabandmastering.com.
2. Under Register, select **Student**.
3. Confirm you have the information needed, then select **OK! Register now**.
4. Enter your instructor's course ID: **toprac15674**, and **Continue**.
5. Enter your existing Pearson account **username** and **password** to **Sign In**.
You have an account if you have used a Pearson product, for example: MyMathLab, MyITLab, MyPsychLab, MySpanishLab or Mastering, such as MasteringBiology.
> If you don't have an account, select **Create** and complete the required fields.
6. Select an access option.
> Use the access code that came with your textbook or that you purchased separately from the bookstore.
> Buy access using a credit card or PayPal account.
> If available, get 14 days temporary access. (The link is near the bottom of the screen.)
7. From the confirmation page, select **Go To My Courses**.
8. On the My Courses page, select the course tile **FIN 357 03720** to start your work.

To sign in later:

1. Go to www.pearsonmylabandmastering.com.
2. Select **Sign In**.
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For a registration overview, go to www.pearsonmylabandmastering.com/students/get-registered. Scroll down to **Need a little help?** and select a video.