The University of Texas at Austin
Texas McCombs BBA
McCombs School of Business

Course Syllabus

FIN 357 Business Finance, Fall 2018

Unique 03340: MW 9:30-11:00 a.m., UTC 3.102

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.

Section 2.   Contact Information

Professor: Woochan Kim
Office: CBA 6.318
Office Hours: Tuesdays and Thursdays from 2:00 to 4:00 pm, and by appointment
Email: woochan.kim@mccombs.utexas.edu
Grader: Michael R Parolari

Feel free to drop in unannounced during my office hours. At other times, email is the best way to reach me. The federal student privacy policy (FERPA) prohibits me from discussing grade-related information via telephone or email.

Section 3.   Tools & Materials

Textbook: We will be using **Fundamentals of Corporate Finance**, 12th edition, by Ross, Westerfield & Jordan, published by McGraw-Hill Education. The loose-leaf version of the textbook, combined with the required Connect Access Code, is ISBN 9781260700831, and is available at the Co-op.

Connect: Connect will be our homework tool. To get started, go to the FIN 357 page on Canvas and click on the link called "McGraw-Hill Connect." Detailed instructions are posted in Canvas. For assistance, click on "Help" in the upper-right hand corner of the screen, or call (800) 331-5094.

iClicker: We will be using the iClicker Classic remote student response system during class each day. You can use new or used iClicker, iClicker+ or iClicker2, all of which are available at the Co-op and online. **You must register your clicker on Canvas** and start bringing it to class by the 2nd day of class. To register your clicker on Canvas, go to the FIN 357 Canvas page, select "i>Clicker" from the left-hand

menu bar, and click on "i>clicker Registration." Enter your clicker number and click "Register."

If you get a new clicker any time after the 2nd class day, register it on Canvas 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.

Calculator: You will need a calculator that can perform financial functions (e.g. N, I, PV, PMT and FV). Both the HP 10B II financial calculator and the TI 83-Plus (or higher) graphing calculator are acceptable. You will not be allowed to use a cell phone or online financial calculator during an exam, nor will you be allowed to share your calculator with another student during an exam.

Email: 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. Visit the BBA Program Office, CBA 2.400, for assistance.

Section 5.   Tutoring

This course is supported by a Peer-Led Undergraduate Studying (PLUS) program, coordinated by the Sanger Learning Center. PLUS study groups provide weekly opportunities to collaboratively practice skills and apply knowledge you need for success in this course. Attending study groups regularly is a great way to ensure that you are keeping up with the material so you don't fall behind. Feel free to attend any study group at any time during the semester; details on times and locations will be posted on Canvas and announced in class. More information about PLUS can be found at https://www.utexas.edu/ugs/slc/support/plus.

Section 6.   Grading

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

- Exams: 3 exams @ 25% each   75%

- Connect Homeworks: 2 lowest scored homeworks will be dropped   5%
- Daily iClicker Quizzes: 5 lowest scored quizzes will be dropped   5%
- Cases: 2 cases @ 5% each   10%
- Valuation Exercise: *Excel*-based case to be completed during class   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 cut-off for each letter grade was as shown below.

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%

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 employed. 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

All students enrolled in FIN 357 will take common exams on the dates noted in the course schedule. Exams will begin at 6:30 pm and end at 8:30 pm. Exam locations will be posted on Canvas and announced during class. The Finance department has confirmed that our exams do not conflict with any other exams on the Dean's master list of undergraduate evening exams.

There will be three exams. All material covered in the course, including readings from the text, readings from supplementary materials, class discussions, end-of-chapter problems called "Connect to Finance," "Chapter Review and Self-Test Problems," "Concept Review and Critical Thinking Questions," and end-of-chapter "Questions and Problems" 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.

After they have been graded, exams can be reviewed in my office, during my office hours.

Make up exams are offered for only the following reasons:

- A conflict with another UT course,
- Participation in a University-sponsored 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 that will necessitate taking a make-up exam this semester, you must request permission and provide documentation **no later than Friday, Friday, September 7th**. Make-up exams will occur on the following dates:

- Make-up Exam 1: Friday, September 28th
- Make-up Exam 2: Friday, November 2nd
- Make-up Exam 3: TBD

Section 8.   Homework and Additional Online Preparation

Homework: At the end of each chapter of your text, there are a plethora of practice problems. Several of the computational "Questions and Problems" have been assigned as required homework in Connect. The assignments are graded, but you will be allowed unlimited attempts. For each attempt, you will be provided a new set of values. Only your highest score for each assignment will be posted in the gradebook on Canvas. Your 2 lowest assignment grades will be dropped.

Homework is due in Connect by 11:59 pm (one minute before midnight) on the due date. Due dates are provided in the Course Schedule at the end of this syllabus, as well as in Connect. Homework is usually due on a Sunday, with the exception of CH 6 and CH 12, which are due on a Tuesday. After their due dates, the homework problems will remain available to re-work for additional practice.

LearnSmart: Connect also provides access to an adaptive learning tool called LearnSmart. This tool is an excellent way to approach your first reading of each chapter. More information about LearnSmart will be provided during class. Your LearnSmart results will not be graded.

Prep Courses: If you are concerned about your *Excel* skills, or your memories of Accounting or Statistics are hazy, take advantage of the preparatory courses in Connect.

Section 9.   iClicker Quizzes

There will be a pop quiz each day during class. You will submit your answers using your iClicker. You will earn 2 points for each correct answer you submit, or 1 point for each incorrect answer. If you do not submit an answer, you will earn 0 points. Your 5 lowest grades will be dropped.

You are not allowed to share a clicker with, or borrow a clicker from anyone currently enrolled in any section of FIN 357 that I teach. Allowing another student in this course to use your clicker, or using the clicker of another student in this course, or simply **having more than one clicker in your possession is a violation** of the University's rules regarding academic integrity. A minimum penalty of a full course grade deduction (e.g. from B- to C-) will be assessed against any student who violates these rules. Student Judicial Services may assess additional penalties, up to and including expulsion from the University.

Section 10. Cases

Three separate cases will enable you to demonstrate your *Excel* modeling skills. The first two can be completed outside of class; the third (the Valuation Exercise described below) must be completed during class. Details will be provided during class.

Section 11. Valuation Exercise

Near the end of the semester, you will be provided with the opportunity to demonstrate your understanding of many FIN 357 concepts via an integrative valuation exercise. This exercise must be completed during class, using *Excel*. You must have a computer with you during class to

complete the exercise. If necessary, you can rent a computer from the Media Services desk on the 3rd floor of McCombs. For practice using your *Excel* skills, refer to the prep course on Connect and/or Lynda.com. If you are absent on the day of the in-class valuation exercise and your absence is not substantiated by Student Emergency Services, you may, at my convenience, be given a new case to complete in my office. The highest possible score for a make-up case is 50%. Details will be announced during class.

Section 12. 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, and you have provided proper advance notice, you will be given an opportunity to complete the missed work within a reasonable time before or after the absence.

Section 13. 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://diversity.utexas.edu/disability/. If you are eligible for academic accommodations **you must present your SSD letter to me, during my office hours**, at least two weeks before you intend to employ the accommodation. Deadlines to request SSD accommodations are below:

- Exam 1: Wednesday, September 12th
- Exam 2: Wednesday, October 17th
- Exam 3: Monday, November 26th

Section 14. Academic Integrity

All materials in this course are protected by copyright. Uploading copyrighted materials to course sharing websites such as CourseHero, GradeBuddy, etc. is not only an academic integrity issue, it is also against the law. All such actions will be reported to Student Judicial Services, and may result in both academic and legal penalties. The minimum academic penalty is a full course grade reduction, e.g. from B- to C-. The legal penalty for copyright infringement is a minimum of $200 per document, plus all attorney fees and court costs related to the case.

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 15. Campus Safety

Loaded guns are now permitted in UT classrooms. However, no guns are allowed in my office. Because I am prohibited from asking whether you have a gun, no purses, bags, backpacks, large jackets or coats, or any other items that might conceal a gun are allowed in my office. Leaving a gun unattended (as it would be, if left outside my office) is against the law. Plan accordingly.

"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 16. Course Schedule

	Day	Date	Topic and/or Activity	Reading	Homework Problems
Aug	Wed	29	Introduction to FIN 357 Introduction to Corporate Finance	Syllabus Chapter 1	None
September	Mon	3	*Labor Day Holiday: No Class Meeting*		
	Wed	5	Financial Statements, Taxes and Cash Flow	Chapter 2	1, 2, 3, 4, 5, 11, 12, 15, 16, 17, 21, 22
	Fri	7	Deadline to request **any** make-up exam (1, 2 or 3)		
	Sun	9	Homework Due on Connect: CH 2		
	Mon	10	Working with Financial Statements	Chapter 3	3, 4, 5, 7, 9, 10, 11, 13, 26, 27, 29
	Wed	12	Long-Term Planning and Growth Deadline to request Exam 1 SSD accommodations	Chapter 4	4, 5, 6, 7, 8, 9, 12, 13, 24
	Sun	16	Homework Due on Connect: CH 3 & CH 4		
	Mon	17	The Time Value of Money	Chapter 5	1, 2, 3, 4, 5, 8, 11, 13,18, 20
	Wed	19	Discounted Cash Flow Valuation	Chapter 6	1, 3, 6, 7, 8, 12, 17, 20, 21, 24, 36, 37, 53
	Sun	23	Homework Due on Connect: CH 5		
	Mon	24	Discounted Cash Flow Valuation, continued		
	Tue	25	Homework Due on Connect: CH 6		
	Wed	**26**	**Exam 1: 6:30 to 8:30 pm. Location TBA. Optional exam review session during class time.**		
October	Mon	1	Interest Rates and Bond Valuation	Chapter 7	1, 2, 6, 7, 9, 10, 12, 13, 19, 20, 21, 22
	Wed	3	Interest Rates and Bond Valuation, continued		
	Sun	7	Homework Due on Connect: CH 7		
	Mon	8	Stock Valuation	Chapter 8	1, 4, 5, 8, 12, 15, 18, 20, 31, 32
	Wed	10	Net Present Value & Other Investment Rules	Chapter 9	3, 6, 7, 9, 15, 16, 17, 19, 26
	Sun	14	Homework Due on Connect: CH 8 & CH 9		
	Mon	15	Making Capital Investment Decisions	Chapter 10	1, 2, 4, 6, 7, 9, 10, 11, 14, 16, 19, 21, 23
	Wed	17	Making Capital Investment Decisions, continued Deadline to request Exam 2 SSD accommodations		
	Sun	21	Homework Due on Connect: CH 10		
	Mon	22	Project Analysis and Evaluation	Chapter 11	1, 2, 3, 5, 9, 11, 20
	Wed	24	Lessons from Capital Market History	Chapter 12	1, 2, 4, 5, 6, 7, 9, 10, 15, 16
	Sun	28	Homework Due on Connect: CH 11		
	Mon	29	Lessons from Capital Market History, continued		
	Tue	30	Homework Due on Connect: CH 12		
	Wed	**31**	**Exam 2: 6:30 to 8:30 pm. Location TBA. Optional exam review session during class time.**		

	Day	Date	Topic and/or Activity	Reading	Homework Problems
November	Mon	5	Return, Risk and the Security Market Line	Chapter 13	1, 2, 3, 6, 9, 11, 13, 14, 17
	Wed	7	Return, Risk and the Security Market Line, cont'd		
	Sun	11	Homework Due on Connect: CH 13		
	Mon	12	Cost of Capital	Chapter 14	1, 2, 5, 7, 8, 9, 10, 12, 13, 15, 16
	Wed	14	Cost of Capital, continued		
	Sun	18	Homework Due on Connect: CH 14		
	Mon	19	Raising Capital	Chapter 15	1, 5, 7, 8
	Wed	21	*Thanksgiving Holiday: No Class Meeting*		
	Sun	25	Homework Due on Connect: CH 15		
	Mon	26	Financial Leverage and Capital Structure Policy Deadline to request Exam 3 SSD accommodations	Chapter 16	1, 3, 4, 5, 13, 14, 15
December	Wed	28	**In-Class Valuation Exercise**		
	Sun	2	Homework Due on Connect: CH 16		
	Mon	3	Dividends and Payout Policy	Chapter 17	1, 2, 3, 4, 5, 6
	Wed	5	Options (24.1, 24.2 through page 798, and 24.4)	Chapter 24	2
	Sun	9	Homework Due on Connect: CH 17 & CH 24		
	Mon	**10**	**Exam 3: 6:30 to 8:30 pm. Location TBA. Optional exam review session during class time.**		