



FIN 357

Business Finance

03155

Spring 2015 Syllabus

Successful completion of the Business Finance course provides students with comprehensive knowledge of the subject and a set of tools designed to assist them in financial management. Prerequisite: 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.

Instructor: Gregory A. Alves | Greg.Alves@mcombs.utexas.edu

Required Text: Corporate Finance, 3rd Edition by Berk & DeMarzo Pearson, 2014

Required Tools: Hardware: Notebook¹ Calculator: HP 10bII+
 Software: Microsoft Excel

Required Online Access: www.pearsonmylab.com

Office: GSB 4.126G

Office Hour: M 2:00 – 3:00 PM

Course Room & Time: UTC 4.134 MW 11:00 to 12:30 PM

Grading & Reporting

Assignment	Percent
Homework	15%
Quizzes	20%
Block I Exam	20%
Block II Exam	20%
Block III Exam	25%

- +/- Grading: Letter grades A, A-, B+, B, B-, C+, C, C-, D+, D, D- or F
- No credit beyond the above graded assignments is allocated during or after the end of the semester
- Incompletes may be granted at my discretion and in accordance with the *General Information Catalog* found here: <http://registrar.utexas.edu/catalogs>

¹ Your notebook computer must have Microsoft Excel installed and be compatible with the system requirements of MyFinanceLab™. For further information on these system requirements, please see the following webpage: <http://www.pearsonmylabandmastering.com/northamerica/myfinancelab/students/support/system-requirements/index.html>

<u>Schedule</u>			
Green = Topic Blue = Assignment Red = Assignment Due			
Week	□	Monday	Wednesday
01 Jan 19, 21	Block I Time Value	Break	Topic: Introduction (CH 1) Read Week 2: CH 1, 2.6 – 2.7 Assign: HW1: CH1, 2 [HW,Q]
02 Jan 26, 28		Topic: Introduction (CH 2)	Topic: Introduction (CH 3) Due: HW1 Read Week 3: CH 3 (Exc. App.), 4.3 - EOC Assign: HW2: CH 3, 4 [HW,Q]
03 Feb 2, 4		Topic: Time, Money, & Interest Rates (CH 4)	Topic: Time, Money, & Interest Rates (CH 5) Due: HW2 Read Week 4: CH 5 (Exc. App.), 6.1 - 6.4 (Exc. App.) Assign: HW3: CH 5, 6 [HW,Q]
04 Feb 9, 11		Topic: Time, Money, & Interest Rates (CH 6)	📅 Block 1 Exam Due: HW3 Read Week 5: CH 7 (Exc. App.) Assign: HW4: CH 7 [HW,Q]
05 Feb 16, 18	Block II Valuation & Uncertainty	Topic: Valuing Projects and Firms (CH 7)	Topic: Valuing Projects and Firms (CH 8) Due: HW4 Read Week 6: CH 8, 9.1 – 9.2, 9.5 Assign: HW5: CH 8, 9 [HW,Q]
06 Feb 23, 25		Topic: Valuing Projects and Firms (CH 9)	Topic: Risk and Return (CH 10) Due: HW5 Read Week 7: CH 10, 11 (Exc. App.) Assign: HW6: CH 10, 11 [HW,Q]
07 Mar 2, 4		Topic: Risk and Return (CH 11)	Topic: Risk and Return (CH 12) Due: HW6 Read Week 8: CH 12 (Exc. App.) Assign: HW7: CH 11 [HW,Q]
08 Mar 9, 11		Topic: Risk and Return (CH 12)	📅 Block 2 Exam Due: HW7 Read Week 10: CH 13.1 – 13.6, 13.8 (Exc. Appendix) Assign: HW8: CH 13 [HW,Q]

<u>Schedule</u>			
Green = Topic Blue = Assignment HW = Homework Q = Quiz Red = Assignment Due			
Week	☐	Monday	Wednesday
09		*** SPRING BREAK ***	
10 Mar 23, 25	Block III Capital Structure & Advanced Valuation	Topic: Risk and Return (CH 13)	Topic: Capital Structure (CH 14) Due: HW8 Read Week 11: CH 14, 15 Assign: HW9: CH 14, 15 [HW,Q]
11 Mar 30 Apr 1		Topic: Capital Structure (CH 15)	Topic: Capital Structure (CH 15) Due: HW9 Read Week 12: CH 16 Assign: HW10: CH 16 [HW,Q]
12 Apr 6, 8		Topic: Capital Structure (CH 16)	Topic: Capital Structure (CH 17) Due: HW10 Read Week 13: CH 17.1 – 17.4, 17.6, 17.7 Assign: HW11: CH 17 [HW,Q]
13 Apr 13, 15		Topic: Capital Structure (CH 17)	Topic: Advanced Valuation (CH 18) Due: HW11 Read Week 14: CH 18.1 – 18.3, 18.5 – 18.7 (Exc. Appendix) Assign: HW12: CH 18 [HW,Q]
14 Apr 20, 22		Topic: Advanced Valuation (CH 18)	Topic: Advanced Valuation (CH 19) Due: HW12 Read Week 15: CH 19 (Exc. Appendix) Assign: HW13: CH 19 [HW,Q]
15 Apr 27, 29		Topic: Advanced Valuation (CH 19)	Topic: Options (CH 20) Due: HW13 Read Week 16: CH 20.1, 20.2, 20.4 Assign: HW14: CH 20 [HW,Q]
16 May 4, 6		Topic: Options (CH 20)	📅 Block 3 Exam Due: HW14

General Information about this Course

There are two primary mediums at work in this class that are designed to provide you with the opportunity to develop a proficient understanding of business finance. The first is the lecture and the second is the online learning center, MyFinanceLab. The lectures will provide an in-depth overview of the assigned material. Homework, quizzes and examinations will be assigned to assess your knowledge as you progress through the course. All assigned homework, quizzes and examinations will be administered through MyFinanceLab. In addition to this syllabus, I will provide a second handout containing the required course identification code necessary for login along with the instructions that you must follow in order to log into MyFinanceLab. I will email all of you a copy of both the Syllabus and the Student Registration Handout for MyFinanceLab on the first day of class.

Once you successfully log into MyFinanceLab, you will notice that there are numerous study aids on the website including a comprehensive Study Plan. While items completed in the Study Plan are not graded, I would strongly advise that you take advantage of these learning aids for the appropriate chapter(s) prior to demonstrating your knowledge by way of the graded material. Complementing the Study Plan is a Multimedia Library. You will find numerous aids that will breathe life into material that may seem abstract to you at first.

All of these attributes do come at an increased cost when compared to other similar courses without these capabilities. In addition to the usual assigned textbook, you are required to make an investment in hardware, software, and a calculator. If you do not currently possess these additional items, you should view them as an investment that will continue to generate benefits long after completion of this course.

Homework & Quizzes

Homework and quizzes represent 15% and 20% of your grade, respectively. Examining the schedule on page 2 you will note the assignments labeled in blue. For example, on January 21st, the first day of class, you are assigned HW1, which consists of a homework assignment

for chapters 1 and 2 along with quizzes for each chapter. You must complete these items by the start of class on the listed date they are due.

Due dates are labeled in red. For example, HW1 is due on the 28th of January. Homework and quizzes are to be completed using MyFinanceLab. A calendar on the Course Home page of MyFinanceLab will allow you to view the upcoming assignments listed in the syllabus. However, you will not have access to the assignments until the assignment date listed in the schedule above. Failure to submit a homework or quiz by the assigned due date will result in a zero for that assignment.

Included in all homework except, Chapter 2 and Chapter 20, are a specific number, out of the total number of questions, that you will solve using Microsoft Excel. In order to confirm that you have worked these questions in Excel, I will provide you with an Excel template for such questions.

Each individual will receive a personalized Excel template via an email attachment from me along with instructions and a due date. All areas of the template will be protected except those that require your input. The file will also have a unique name. **DO NOT CHANGE THE FILE NAME.** You will complete this template first, save and post the resulting answers to the same problem in the MyFinanceLab homework assignment. Once the template and homework assignment are complete, please attach your file and email to Greg.Alves@mcombs.utexas.edu. Any files sent must reach me at or before the start time of class on the date homework is due.

You must provide your work via these templates. If you answer the assigned Excel questions without returning the completed template, right or wrong, you will receive a zero score for the assignment. In other words, you are required to make use of Excel. If you are new to spreadsheets, I will set aside time and assist you personally should you require help. Therefore, do not let this lack of knowledge be a barrier to taking this course. As an individual

interested in Business Finance, you should be aware that knowledge of spreadsheets takes the same order as silverware and a glass of water secures at the dinner table.

Block Examinations

Examine the schedule and you will note that it is separated into three parts or “blocks.” These blocks are organized from Roman numeral I to III with labels generalizing the content of each block. After completing the readings and assignments of a given block, a “Block Exam” will be administered in class using MyFinanceLab. Thus, you will bring your own notebook  to class and be required to have online access via the University’s wireless connection (<https://management.pna.utexas.edu/go-dot1x?os=all>) to complete these examinations. Once an examination is started, your web browser will be locked. Thus, the only tool available to you when completing these examinations is the HP 10bII+ calculator. In addition to preparing for the examination, you must also, by nature of the requirements, make sure your hardware and software are also prepared prior to the exam. This will be your responsibility and no accommodations will be made for a lack of preparedness. You will have 75 minutes from the start of class to complete each of these examinations during the assigned class sitting listed on the schedule. The examination will begin promptly at the start of class. The median time estimated for each examination is approximately one hour. You must be in class to take the examination as a code will be required to login. The first two block exams are worth 20% of your grade, while the 3rd exam is worth 25% to reflect the greater coverage. There is no final examination for this class.

Attendance

A signature page will be issued on random class days to confirm attendance. Attendance is required and exceptions are granted only in those cases where the individual follows the guidelines for “Religious Holy Days.” **Please review this schedule carefully as you are committing to these dates and times.** It will be your responsibility to accommodate once the semester begins.

Religious Holy Days

University of Texas at Austin policy requires that 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 or an examination in order to observe a religious holy day, I will give you the opportunity to fulfill your obligations within a reasonable time after the absence.

Policy on Scholastic Dishonesty

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 BBA Program's Statement on Scholastic Dishonesty at <http://www.mcombs.utexas.edu/BBA/Code-of-Ethics.aspx>. By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of the Statement on Scholastic Dishonesty to this class or 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, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at <http://deanofstudents.utexas.edu/sjs/> to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

Campus Safety

Please note the following recommendations regarding emergency evacuation from 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 their 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 www.utexas.edu/emergency.

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/>.