



## Course Syllabus

### FIN 357 Business Finance, Spring 2017

Unique 03475: MTWThF, 9:00 am - 12:00 noon

Maymester in Athens

#### 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:** Heidi Toprac

**Office:** The Athens Centre

**Office Hours:** Monday-Thursday from 12:00 noon to 1:00 pm, and by appointment

**Email:** [heidi.toprac@mcombs.utexas.edu](mailto:heidi.toprac@mcombs.utexas.edu)

Feel free to drop in unannounced during office hours. After hours, email is the best way to reach me. Please bear in mind that the federal student privacy policy (FERPA) prohibits me from discussing grade-related information via telephone or email. If I should need to change my office hours, it will be announced during class and on Canvas.

#### Section 3. Course Format

The class will meet for 4 weeks. Each Monday through Thursday, there will be two separate 90 minute lectures, followed by 1 office hour. You should expect to spend 3-5 hours on reading, homework and studying each Monday through Thursday. On Fridays, the class will participate in guided excursions, which are a required and integral part of the curriculum.

#### Section 4. Tools & Materials

**Text:** We will be using **Corporate Finance: Core Principles and Application**, 4th edition, by Ross, Westerfield, Jaffe & Jordan, published by McGraw-Hill. There are several purchase options regarding the format of the text:

1. Hardcover book + Connect access: \$226.65 at the Co-op
2. Looseleaf book + Connect access: \$153.35 at the Co-op
3. All digital (eBook + Connect access): \$110.00 at Connect online
4. All digital (option 3) plus a looseleaf book: \$170.00 at Connect online

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

- Laptop:** You must have a laptop computer and the appropriate adapter. In addition, you must have *Excel* installed on your computer.
- Calculator:** You will need a calculator that can perform financial functions (eg. N, I, PV, PMT, FV). The HP 10B II + is strongly suggested for Finance majors. The TI 83-Plus (or higher) is acceptable for all other majors. 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.
- Canvas:** All course materials will be posted on Canvas. Please note that all course materials are protected by copyright. Uploading these materials to course sharing websites such as CourseHero, Koofers, StuDocU, etc. is not only an academic integrity issue subject to disciplinary action, it is also against the law.
- 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/](https://utdirect.utexas.edu/apps/utd/all_my_addresses/)

## Section 5. 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.

## 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%         |
| • Excel-based cases: 3 @ 5% each                        | 15%         |
| • Homework: 13 highest (out of 15 possible) assignments | <u>5%</u>   |
| Course Total                                            | <u>100%</u> |

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. 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.

|    |         |    |        |    |        |
|----|---------|----|--------|----|--------|
| 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. All material covered in the course, including readings from the text, readings from supplementary materials, class discussions, all of the end-of-chapter “Concept Questions,” and all of the 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 during my office hours. Barring a substantiated medical emergency, there are no make-up opportunities for missed exams.

## Section 8. Homework

**Required:** At the end of each chapter of your text, there are several “Concept Questions,” as well as many computational “Questions and Problems.” Several of the latter items from each chapter have been assigned as “Required Homework” in Connect. There are 15 sets of Required Homework in Connect, entitled Ch 2, Ch 3, etc. The assignments are graded, but you will have 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 lowest 2 scores (out of 15 total) will be dropped.

Required Homework is due daily. Due dates are provided in the Course Schedule at the end of this syllabus, as well as in Connect. Required Homework is due in Connect by 11:59 pm (one minute before midnight) on the due date. After their due dates, the Required Homework problems will be available on Connect to re-work for additional practice.

**Additional:** The more problems you work, the greater your likelihood of success. All of the remaining computational “Questions and Problems” from your text appear in Connect under the heading “Additional Problems.” These problems will not be graded. You can work the problems an infinite number of times.

**LearnSmart:** Connect also provides access to an adaptive learning tool called LearnSmart. This tool is a terrific 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.

## Section 9. Excel-Based Cases

Three separate integrative cases will enable you to demonstrate your understanding of many FIN 357 concepts, as well as your *Excel* modeling skills. The first two cases can be completed outside of class; the third must be completed during class. You must have your computer with you during class to complete the in-class case. For practice using your *Excel* skills, refer to both Connect and Lynda.com. There are no opportunities to make up a missed case. Details related to each case will be announced during class.

## Section 10. 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 exam, or assignment, 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 **prior** to the absence.

## Section 11. 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 accommodations, you must present your SSD letter to me at least 2 weeks before employing the accommodation.

## Section 12. 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 13. Course Schedule (Any changes will be announced on Canvas)

|     | Day | Date | Topic and/or Activity                                                                 | Reading               | Required Homework          |
|-----|-----|------|---------------------------------------------------------------------------------------|-----------------------|----------------------------|
| May | Sun | 21   | Welcome dinner                                                                        |                       |                            |
|     | Mon | 22   | Orientation to Athens<br>Introduction to FIN 357<br>Introduction to Corporate Finance | Syllabus<br>Chapter 1 |                            |
|     | Tue | 23   | Financial Statements & Cash Flow                                                      | Chapter 2             | 1, 2, 3, 4, 7, 14, 18, 20  |
|     | Tue | 23   | Financial Statements Analysis & Financial Models<br>(Sections 3.1 through 3.4 only)   | Chapter 3             | 2, 3, 8, 9, 11, 14, 16, 17 |
|     | Wed | 24   | Discounted Cash Flow Valuation                                                        | Chapter 4             | 13, 19, 28, 32, 33, 41, 49 |
|     | Thu | 25   | Interest Rates and Bond Valuation                                                     | Chapter 5             | 4, 5, 6, 8, 15, 17, 19, 21 |
|     | Fri | 26   | Review & Excursion                                                                    |                       |                            |
|     | Sat | 28   | Case 1 Due (on Canvas)                                                                |                       |                            |
|     | Mon | 29   | Exam 1                                                                                |                       |                            |

|      |            |           |                                                   |            |                             |  |
|------|------------|-----------|---------------------------------------------------|------------|-----------------------------|--|
| May  | Tue        | 30        | Stock Valuation                                   | Chapter 6  | 1, 4, 5, 13, 15, 18, 22, 31 |  |
|      | Tue        | 30        | Net Present Value & Other Investment Rules        | Chapter 7  | 1, 2, 4, 5, 7, 15, 17, 18   |  |
|      | Wed        | 31        | Making Capital Investment Decisions               | Chapter 8  | 1, 2, 3, 6, 7, 8, 10, 21    |  |
| June | Thu        | 1         | Risk Analysis, Real Options & Capital Budgeting   | Chapter 9  | 1, 2, 3, 4, 8, 10, 22, 23   |  |
|      | Thu        | 1         | Risk & Return: Lessons from Market History        | Chapter 10 | 1, 2, 7, 10, 12, 17, 22, 23 |  |
|      | Fri        | 2         | Excursion                                         |            |                             |  |
|      | Sat        | 3         | Case 2 Due (on Canvas)                            |            |                             |  |
|      | Mon        | 5         | Risk & Return: The Capital Asset Pricing Model    | Chapter 11 | 1, 2, 6, 10, 12, 18, 25, 27 |  |
|      | Tue        | 6         | Review & Company Visits                           |            |                             |  |
|      | <b>Wed</b> | <b>7</b>  | <b>Exam 2</b>                                     |            |                             |  |
|      | Thu        | 8         | Risk, Cost of Capital & Valuation                 | Chapter 12 | 1, 2, 5, 6, 11, 13, 17, 19  |  |
|      | Thu        | 8         | Efficient Capital Markets & Behavioral Challenges | Chapter 13 | None                        |  |
|      | Fri        | 9         | Excursion                                         |            |                             |  |
|      | Mon        | 12        | Capital Structure: Basic Concepts                 | Chapter 14 | 1, 3, 6, 7, 12, 14, 19, 25  |  |
|      | Mon        | 12        | Capital Structure: Limits to the Use of Debt      | Chapter 15 | 1, 2, 3, 4, 6, 7, 8         |  |
|      | Tue        | 16        | Dividends and Other Payouts                       | Chapter 16 | 5, 6, 8, 9, 11, 13, 14, 15  |  |
|      | Tue        | 16        | Raising Capital                                   | Chapter 19 | 1, 2, 4, 5, 6, 7, 8, 9      |  |
|      | Wed        | 17        | <b>Case 3: In-Class Valuation Exercise Due</b>    |            |                             |  |
|      | Wed        | 17        | Options (Sections 17.1 through 17.4 only)         | Chapter 17 | None                        |  |
|      | <b>Thu</b> | <b>15</b> | <b>Exam 3</b>                                     |            |                             |  |
|      | Fri        | 16        | Excursion & Evaluations                           |            |                             |  |