



FIN 357 Business Finance, Spring 2017

Unique 03410: MW 8:00-9:30 a.m., UTC 4.122

Unique 03425: MW 9:30-11:00 a.m., UTC 4.122

Unique 03440: MW 11:00-12:30 a.m., UTC 4.122

Unique 03460: MW 2:00-3:30 p.m., UTC 1.130

Course Syllabus

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: Casey Dougal

Office: CBA 6.268

Office Hours: Tuesdays from 1:00 to 4:00 p.m., and by appointment

Email: casey.dougal@mcombs.utexas.edu

TAs: Rohan Tripathi (See Canvas for 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 **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.

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/

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.

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.

Section 5. Support Resources

From January 30th through May 2nd, the Finance Lab offers drop-in tutoring and assistance with homework. Feel free to come and go as needed. Hours of operation are shown below:

Days	Times	Location
Every Monday, Tuesday & Wednesday	12:00 noon to 2:00 p.m.	CBA 4.112AN
Every Monday, Tuesday & Wednesday	5:00 p.m. to 8:00 p.m.	UTC 3.120

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%
- Quizzes: At the discretion of the instructor 10%
- Homework: 13 highest (out of 15 possible) assignments 5%
- 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. 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

All students taking FIN 357 this semester will take common exams on the dates noted in the course schedule. Exams will begin at 6:30 p.m. and end at 8:30 p.m. 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.

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.

Make up exams are offered only for the following 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 that will necessitate taking a make-up exam, you must notify me and provide appropriate documentation no later than Friday, January 27th. Make-up exam dates are listed below; the times will be announced later.

- Make-up Exam 1: Friday, February 17th
- Make-up Exam 2: Friday, March 31st
- Make-up Exam 3: Friday, May 5th

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 weekly. 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. Required Homework is always due on a Sunday, with the exception of Ch 11, which is due on a Tuesday. 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. Quizzes

Three separate in-class quizzes will be administered. They will cover material from the previous test up to the quiz date.

Section 10. 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 your computer with you during class to complete the exercise. For practice using your *Excel* skills, refer to both Connect and, if you are a McCombs major, 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 11. 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 after the absence.

Section 12. 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 at least two weeks before you intend to employ the accommodation. Academic accommodation notification deadlines are below:

- Exam 1: Monday, January 30th
- Exam 2: Friday, March 10th (to accommodate spring break)
- Exam 3: Wednesday, April 19th

Section 13. 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 14. 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 15. Course Schedule

	Day	Date	Topic and/or Activity	Reading	Required Homework	
January	Wed	18	Introduction to FIN 357 Introduction to Corporate Finance	Syllabus Chapter 1		
	Mon	23	Financial Statements & Cash Flow	Chapter 2	1, 2, 3, 4, 7, 14, 18, 20	
	Wed	25	Financial Statements Analysis & Financial Models (Sections 3.1 through 3.4 only)	Chapter 3	2, 3, 8, 9, 11, 14, 16, 17	
	Sun	29	Required Homework Due on Connect: Ch 2 & Ch 3			
	Mon	30	Discounted Cash Flow Valuation	Chapter 4	13, 19, 28, 32, 33, 41, 49	
February	Wed	1	Discounted Cash Flow Valuation, continued	Chapter 4		
	Sun	5	Required Homework Due on Connect: Ch 4			
	Mon	6	Interest Rates and Bond Valuation (Quiz 1)	Chapter 5	4, 5, 6, 8, 15, 17, 19, 21	
	Wed	8	Interest Rates and Bond Valuation, continued	Chapter 5		
	Sun	12	Required Homework Due on Connect: Ch 5			
	Mon	13	Exam 1 (Optional exam review session during class time. Evening exam. Location TBA.)			
	Wed	15	Stock Valuation	Chapter 6	1, 4, 5, 13, 15, 18, 22, 31	
	Mon	20	Stock Valuation, continued	Chapter 6		
	Wed	22	Net Present Value & Other Investment Rules	Chapter 7	1, 2, 4, 5, 7, 15, 17, 18	
	Sun	26	Required Homework Due on Connect: Ch 6			
March	Mon	27	NPV & Other Investment Rules, continued	Chapter 7		
	Wed	1	Making Capital Investment Decisions	Chapter 8	1, 2, 3, 6, 7, 8, 10, 21	
	Sun	5	Required Homework Due on Connect: Ch 7			
	Mon	6	Making Capital Investment Decisions, continued	Chapter 8		
	Wed	8	Risk Analysis, Real Options & Capital Budgeting	Chapter 9	1, 2, 3, 4, 8, 10, 22, 23	
	Sun	12	Required Homework Due on Connect: Ch 8 & Ch 9			
	Mon	13	Spring Break			
	Wed	15	Spring Break			
	Mon	20	Risk & Return: Lessons from Market History (Quiz 2)	Chapter 10	1, 2, 7, 10, 12, 17, 22, 23	
	Wed	22	Risk & Return: The Capital Asset Pricing Model	Chapter 11	1, 2, 6, 10, 12, 18, 25, 27	
	Sun	26	Required Homework Due on Connect: Ch 10			
	Mon	27	Risk & Return: The CAPM, continued	Chapter 11		
	Tue	28	Required Homework Due on Connect: Ch 11			
Wed	29	Exam 2 (Optional exam review session during class time. Evening exam. Location TBA.)				
April	Mon	3	Risk, Cost of Capital & Valuation	Chapter 12	1, 2, 5, 6, 11, 13, 17, 19	
	Wed	5	Efficient Capital Markets & Behavioral Challenges	Chapter 13	None	
	Sun	9	Required Homework Due on Connect: Ch 12			
	Mon	10	Capital Structure: Basic Concepts	Chapter 14	1, 3, 6, 7, 12, 14, 19, 25	
	Wed	12	Capital Structure: Basic Concepts, continued	Chapter 14		
	Sun	16	Required Homework Due on Connect: Ch 14			
	Mon	17	Capital Structure: Limits to the Use of Debt	Chapter 15	1, 2, 3, 4, 6, 7, 8	
	Wed	19	Dividends and Other Payouts (Quiz 3)	Chapter 16	5, 6, 8, 9, 11, 13, 14, 15	

	Sun	23	Required Homework Due on Connect: Ch 15 & Ch 16		
	Mon	24	In-Class Valuation Exercise		
	Wed	26	Raising Capital	Chapter 19	1, 2, 4, 5, 6, 7, 8, 9
	Sun	30	Required Homework Due on Connect: Ch 19		
May	Mon	1	Options (Sections 17.1 through 17.4 only)	Chapter 17	None
	Wed	3	Exam 3 (Optional exam review session during class time. Evening exam. Location TBA.)		