



The University of Texas at Austin  
**Texas McCombs**  
**Business Foundations**  
*McCombs School of Business*

## **FIN 320F Foundations of Finance, Spring 2019**

Unique #03245: MW 9:30 – 11:00, UTC 2.102A

Unique #03250: MW 11:00 – 12:30, UTC 2.102A

### **Section 1. Objective**

Welcome to Foundations of Finance! The purpose of this course is to help you develop a basic understanding of the US financial system, corporate finance, and financial investments.

### **Section 2. Contact Information**

**Professor:** Heidi Toprac

**Office:** CBA 6.304F (across the hall from the Behavioral Lab)

**Office Hours:** Tuesdays and Wednesdays from 3:30 to 5:30 pm, and by appointment

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

**TAs:** See the announcements on Canvas for TA office hours and contact information.

If you have a question about any of the content in FIN 320F (e.g. for help with understanding a concept or answering a homework question), either stop by in person or post your question to Coil (see below). If you post your question to Coil, everyone in the class can benefit from your question and the responses to it. If you have a personal question (e.g. related to your grades), please ask in person. The federal student privacy law (FERPA) prohibits us from discussing your grades via telephone or email. Graded exams will be available for you to review in my office, during my office hours.

### **Section 3. Prerequisites**

If you have issues or concerns regarding pre-requisites, please visit the McCombs BBA Program Office, CBA 2.400, for assistance.

### **Section 4. Tools & Materials**

**iClicker:** We will use the iClicker Classic remote student response system each class 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 320F 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.

You are not allowed to share a clicker with, or borrow a clicker from, anyone currently enrolled in any section of FIN 320F 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. At a minimum, violators will lose one entire letter grade for the semester and will be reported to Student Judicial Services. Additional penalties may apply.

**Coil:** To keep things transparent and ensure that everyone has equal access to information, we will be using an app called Coil to handle all questions related to course content. Please visit <https://utaustin.coilapp.com/view-groups-details/5b71da10219145733e8d2209> to sign up.

**Text:** I recommend CFIN, editions 4, 5 or 6, written by Scott Besley and Eugene Brigham, published by Cengage. The book is available at the Co-op or from [cengagebrain.com](http://cengagebrain.com). If you choose to purchase the optional access code, you can access both the eBook and a wealth of study materials online. To do so from the FIN 320F Canvas page, click on the link called Cengage Online and follow the instructions.

**Calculator:** You will need a calculator that can perform finance functions (N, I%, PV, PMT, FV). My favorite is my *TI-83 Plus* graphing calculator (if you press the “APPS” key, you can turn it into a financial calculator). Visit <http://www.tvmcalcs.com> for a great resource on learning how to use a financial calculator. You may not use a cell phone or any other communications device as your calculator during exams.

**Batteries:** Bring AAA batteries to class each day to support your clicker and calculator.

**Canvas:** All course materials will be posted on Canvas. As noted in Section 8, all materials are protected by copyright. Inappropriate “sharing” will be subject to academic and legal penalties.

**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. Grades

Your grade in this course will be determined by your performance on homework and exams.

- Exams: 3 exams @ 30% each 90%
- Homework: Submitted daily; the 5 lowest days will be dropped 10%
- Course Total 100%

There is no extra credit. There is no final exam.

**Check Canvas each day** to ensure your grades are correct. If you suspect an error in grading, resolve it within 1 week of the date that the exam or homework assignment was due. Exam scores will be posted on Canvas within 24 hours of each exam. Homework scores will be posted daily. Grade-related issues that are not resolved within 1 week of the due date will be subject to a penalty, as follows: after 1 week, your score will be reduced by 25%. After 2 weeks, your score will be reduced by 50%. After 3 weeks, the disputed item is no longer eligible for credit.

From	To	Grade	Grade Points
93	100	A	4.00
90	92	A-	3.67
87	89	B+	3.33
83	86	B	3.00
80	82	B-	2.67
77	79	C+	2.33
73	76	C	2.00
70	72	C-	1.67
67	69	D+	1.33
63	66	D	1.00
60	62	D-	0.67
0	59	F	0.00

The McCombs grading guidelines indicate that the performance of students in this course should result in a course GPA between 3.0 and 3.2. The standard grading cut-offs are shown in the table, at left. The actual grading cut-offs this semester will depend on your performance. In other words, there could be a curve. Bear in mind that past performance is no guarantee of future results.

The lowest passing letter grade is a D-. FIN320F may not be taken pass/fail if you are seeking the Business Foundations Program certificate. For details, see <http://www.mcombs.utexas.edu/business-foundations>.

## Section 6. Homework

Finance is, in many respects, an applied math class. As in most math classes, you will be assigned homework every day. Assignments will be posted on Canvas. We will spot-check your answers each day during class using the iClicker student response system. For example, during class on Wednesday, January 23<sup>rd</sup>, we will discuss Unit 1.0. After class, go to Canvas, download the homework for Unit 1.0 and answer the questions—either on paper or on your computer. During class on Monday, January 28<sup>th</sup>, you will use your iClicker to enter your answers to selected Unit 1.0 questions.

Questions that have a correct answer will be worth two points: one point for showing up to class and answering the question, and one point for selecting the correct answer. Questions with no correct answer (e.g. opinion questions) will be worth one point. When calculating the

homework portion of your total course score, your 5 lowest homework days (which, combined, equate to more than 20% of the total homework assigned) will be dropped.

If you forget your clicker or if your clicker runs out of batteries, you will miss the points for that day. **There are no make-up opportunities for missed homework.** If you cheat—for example, if you use a clicker that is registered to someone else, or if you arrange for a classmate to enter your answers on your behalf—you will be subject to serious penalties, up to and including expulsion from the University. Please see Section 4 for more information regarding iClicker.

## Section 7. Exams

The exams in this course are designed to measure how well you have synthesized the concepts learned in class. There will be three in-class exams—one for each section of the course. Each exam will be non-comprehensive; that is, each exam will cover only the material related to that section. However, the material will build on itself as we progress through the semester. Given the comprehensive nature of the material on Exam 3, there will be no final exam.

Each exam will have 33 multiple-choice questions (each worth 3 percentage points), plus 1 free bonus point. Everything in the book, on Canvas and distributed and/or discussed in class is subject to examination. Bring pencils, calculator(s), extra batteries and your picture ID to each exam. If you forget your calculator or if it runs out of batteries during an exam, you can rent a calculator for the duration of the exam. The rental fee is one exam question.

A formula sheet, which will be posted on Canvas, will also be attached to each exam.

All exams and bubble sheets will be collected at the end of each exam period, whether or not you have finished recording your answers. If you take your exam in a section other than the one in which you are registered, a 10-point penalty (the equivalent of one letter grade) will be deducted from your exam score. If any manual processing of your exam is required because, for example, you mis-bubbled your name, eid number or test form letter, or made unreadable smudges or stray marks on your bubble sheet, a 3-point penalty (the equivalent of one exam question) will be deducted from your exam score for each item that must be manually processed.

If you miss an exam—because of illness, an accident, family issues, a funeral, a job interview, a sporting event, etc.—contact me immediately to schedule a make-up exam. Your make-up exam must take place within one week of the exam you missed. If you do not complete a make-up exam within one week of the originally scheduled exam, the score of 0% will be your final score for that exam. Make-up exams will not be multiple choice. Instead, each make-up exam will consist of ten short answer questions that involve both concepts and calculations.

## Section 8. Academic Integrity

All materials in this course are protected by copyright. Uploading copyrighted materials to course sharing websites such as CourseHero, GradeBuddy, Koofers, 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. The minimum legal penalty is \$200 per document, plus the infringer must pay for all attorney fees and court costs.

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. Relevant responsibilities of both students and faculty 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 for more information.

## Section 9. 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 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, 512-471-6259, <http://diversity.utexas.edu/disability/>. Note that **requests for exam accommodations are due, in person, during my office hours**, two weeks prior to the date on which you wish to employ the accommodation.

## Section 11. Religious Holy Days

I relied on the [Interfaith Calendar](#) to avoid conflicts with major religious and cultural holidays. If you miss a homework assignment due to a religious holiday, we will simply drop that day when computing your homework score. Regarding exams, UT policy says “*you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day.*”

## Section 12. Course Schedule

Please be advised that this schedule is subject to change. \*See Canvas for exact page numbers.

	Day	Date	Unit	Topic and/or Activity	Reading*	Due	
Jan	Wed	23	1.0	Introduction to FIN 320F Introduction to Section 1: The Financial System	Syllabus	--	
	Mon	28	1.1	Financial Instruments: Debt	Chapter 6*	1.0	
	Wed	30	1.2	Financial Instruments: Equity	Chapter 7*	1.1	
February	Mon	4	1.3	Financial Markets & Participants	Chapter 3*	1.2	
	Wed	6	1.4	Measuring Performance		1.3	
	Mon	11	1.5	Mutual Funds		1.4	
	Wed	13	1.6	The Federal Reserve		1.5	
	Mon	18	1.7	Determinants of Interest Rates	Chapter 5*	1.6	
	Wed	20	1.8	Yield Curves and Risk Premiums		1.7	
	Mon	25	<b>Exam 1</b>				
	Wed	27	2.0 2.1	Introduction to Section 2: Financial Analysis Business Organization	Chapter 1*	--	
March	Mon	4	2.2	Income Taxes		2.1	
	Wed	6	2.3	Financial Reporting	Chapter 2*	2.2	
	Mon	11	2.4	Ratio Analysis		2.3	
	Wed	13	2.5	Forecasting		2.4	
	Mon	18	--	<i>Spring Break: No Class Meeting</i>			
	Wed	20	--	<i>Spring Break: No Class Meeting</i>			
	Mon	25	2.6	Additional Financial Analysis		2.5	
	Wed	27	2.7	The Capital Asset Pricing Model	Chapter 8*	2.6	
April	Mon	1	<b>Exam 2</b>				
	Wed	3	3.0 3.1	Introduction to Section 3: Time Value of Money Compounding	Chapter 4*	--	
	Mon	8	3.2	Discounting ( <i>Note: Q-Drop Deadline</i> )		3.1	
	Wed	10	3.3	Amortization		3.2	
	Mon	15	3.4	Bond & Stock Valuation	Chapters 6* & 7*	3.3	
	Wed	17	3.5	Capital Budgeting: Identifying Cash Flows	Chapters 9* & 10*	3.4	
	Mon	22	3.6	Capital Budgeting: Project Valuation		3.5	
	Wed	24	3.7	Capital Budgeting: Alternate Methods		3.6	
	Mon	29	3.8	Capital Structure	Chapters 11* & 12*	3.7	
May	Wed	1	3.9	Portfolio Development		3.8	
	Mon	6	<b>Exam 3</b>				
	Wed	8		Conclusion and Evaluation			

\*See Canvas for exact page numbers.