



## Course Syllabus

Business Finance, Summer 2015  
FIN 357, unique number 71785  
MTWTh 12:00-2:00 pm, UTC 1.118

### 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. In addition, these tools and techniques will provide the basic tools to make personal financial decisions.

### Section 2. Contact Information

**Professor:** Heidi Toprac  
**Office:** CBA 2.232  
**Office Hours:** Monday 2:00 - 4:00 p.m.  
**Email:** [heidi.toprac@mcombs.utexas.edu](mailto:heidi.toprac@mcombs.utexas.edu)  
**TA:** TBD

Feel free to drop in unannounced during office hours. Otherwise, email is my preferred method of communication. I keep all graded exams in my office. Please bear in mind that federal privacy laws prohibits your TA and me from discussing grade-related information with you via telephone or email. Please note that your professor's or TA's office hours may change from time to time to accommodate unforeseen circumstances. Such changes will be announced in class and posted on Canvas.

### Section 3. Tools & Materials

**Text:** We will be using Berk and DeMarzo, **Corporate Finance: The Core 3<sup>rd</sup> edition**, Boston, MA., Pearson 2014. There are several purchase options regarding the format of the text, including hardcover, looseleaf and etext. Be sure that the format you select includes access to MyFinanceLab.com. Do not select a trial version. If the trial ends before the semester ends, you will lose your work and all of your credit for that work.

**MyFinanceLab:** In addition to the text, we will be using MyFinanceLab for all homework assignments. Instructions for accessing MyFinanceLab were emailed prior to the start of the semester, and also can be found on the last page of this syllabus.

**Calculator:** You will need a calculator that can perform financial functions (N, I, PV PMT, FV). The HP 10B II + is strongly suggested. You will not be allowed to use a cell phone or online financial calculator during exams, nor will you be allowed to share your calculator with another student during an exam.

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

**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.

To succeed in FIN 357, you must demonstrate competency in the basics of accounting and time value of money. The introduction to financial reporting in chapter 2 (sections 2.1-2.5) and the introduction to time value of money (TVM) in chapter 4 (sections 4.1 and 4.2) are considered review. These topics will not be covered in class. If possible before our first class meeting, but no later than the dates in the section of this syllabus called "Course Schedule," you must complete the assignments on MyFinanceLab entitled "Accounting Review" and "TVM review" These assignments are intended to help you gauge your level of preparedness for this class. Successful completion of any question will earn you 0.5 points on Exam I. In total, these two review assignments are worth 10 points on Exam I (2.5 points for the accounting material and 7.5 points for the TVM material). This is not extra credit. It represents 10% of your Exam 1 score.

#### **Section 5. Grading**

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

- Exams: 3 exams @ 30% each 90%
- Homework: 5 highest (out of 6 possible) assignments @ 2% each 10%
- Course Total 100%

The grading guidelines for McCombs undergraduate classes recommends a range of 3.0 to 3.2 for business core courses. Historically the numerical cut off for each letter grade was as follows. 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 used.

A 94% and greater	B- 84-81%	D+ 68-65%
A- 90-93%	C+ 80-77%	D 64-61%
B+ 92-89%	C 76-73%	D- 60-57%
B 88-85%	C- 72-69%	F less than 57%

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 6. Exams

There will be three exams in this course. Exams I and II will take place during class. Exam III will take place during the final exam period, but will have the same time allowance as Exams I and II. 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 of semester.

All three exams will be multiple choice, and will include both concept- and calculation-based questions. All material covered in the course, including readings from the text, readings from supplementary materials, class discussions, and required and suggested homework are subject to examination.

Exams can be reviewed, after they have been graded, during my office hours.

For any student who does not take Exam I or Exam II during the regularly scheduled time, the make-up time will begin at the conclusion of the time allotted for Exam III. Alternate exam dates are not an option. Conflicts between the scheduled exams and other academic, work-related, or personal requirements should be resolved by the student.

Failure to take Exam III at the scheduled time will result in a score of zero for Exam III.

## Section 7. Homework

**Required:** There are six sets of required problems on MyFinanceLab, entitled HW1, HW2, HW3, etc. The assignments are not graded, but are judged on completion. A completed assignment will earn a score of 100% in the Canvas gradebook. An incomplete assignment will earn a score of zero. The average of the 5 highest homework scores will result in your Homework score for the course. In other words, the lowest score will be dropped.

Due dates are provided in the course schedule and MyFinanceLab. Assignments are due by 11:59 pm (one minute before midnight) on the due date. The Accounting Review and TVM Review are in addition to the six homework sets.

**Suggested:** Working problems is a necessary but insufficient exercise for success in this course. However, the more problems you work, the greater your likelihood of success. In addition to the required homework problems, additional problems are listed under "Suggested Problems." These problems will not be collected or graded; however, on a rotating basis, students may be called on during class to provide solutions.

## Section 8. Attendance

Class attendance is essential for passing performance in this course. In addition, student participation is expected. This involves being prepared when called upon during class to discuss any assigned material and/or to work assigned problems. In addition:

- Please silence your cell phone, iPad, and all other electronic devices. You get one free ring during the first week of class. Thereafter, such disruptions will cost you \$5 per ring, with all proceeds going to a charity chosen by the class.
- If you miss a class, it is your responsibility to determine what was covered, including any administrative announcements. Expect that some of the material covered on exams will not be in the text. Hence, you are urged to attend class regularly.

## **Section 9. 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 10. 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 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, 512-471-6259, <http://www.utexas.edu/diversity/ddce/ssd/>.

## Section 12. Religious Holy Days

I have employed the [Interfaith Calendar](#) in an attempt to structure the course schedule to avoid conflicts with major religious and cultural holidays. If you need to miss an exam, UT Austin policy states that *“you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day.”*

## Section 13. Course Schedule

This schedule is subject to change. Changes, if any, will be announced in class and on Canvas.

	Day	Date	Topic and/or Activity	Reading	Required	Suggested	
July	Mon	13	Introduction, The Corporation	Syllabus, Ch 1	6,7	1,11,15	
	Tue	14	Intro to Financial Statement Analysis	Ch 2	30,36,42	28,33,39	
	Wed	15	Financial Decision Making & the Law of One Price <b>HW1 &amp; Acctg Review Due</b>	Ch 3, excluding Appendix	1,2,6,9,12,15	4,7,10,11,14	
	Thu	16	The Time Value of Money	Ch 4	11,14,16,19,22,32,36,46	12,13,20,29,31,34,37	
	Mon	20	Interest Rates	Ch 5, excluding Appendix	2,3,9,13,22,26,28,34,39	10,14,18,20,36	
	Tue	21	Valuing Bonds <b>HW2 &amp; TVM Review Due</b>	Ch 6, excluding 6.5 & Appendix	1,2,3,7,10,19,28	4,6,11,14,22,29	
	Wed	22	<b>Exam I</b>				
	Thu	23	Investment Decision Rules	Ch 7, excluding Appendix	1,2,5,12,15,19,21,29	3,6,14,24,25,30,31	
	Mon	27	Fundamentals of Capital Budgeting	Ch 8, excluding Appendix	1,4,6,12	2,3,8,9,13,18	
	Tue	28	Valuing Stocks <b>HW3 Due</b>	Ch 9, excluding 9.3 & 9.4	1,2,5,8,13	3,6,10,12,16,20,24	
	Wed	29	Capital Markets and the Pricing of Risk	Ch 10	2,4,5,7,26,37	16,20,22,26,29,30,33	
Thu	30	Optimal Portfolio Choice and the CAPM	Ch 11, excluding Appendix	1,9,12,16,21,34,48	2,4,10,17,22		
August	Mon	3	Estimating the Cost of Capital <b>HW4 Due</b>	Ch 12, excluding Appendix	1,4,10,14,18	2,5,15,19,20	
	Tue	4	<b>Exam II</b>				
	Wed	5	Investor Behavior & Capital Market Efficiency	Ch 13, excluding 13.7 & Appendix	None ☺	1,3,5,6,8,14,16	
	Thu	6	Capital Structure in a Perfect Market	Ch 14	1,3,5,13	2,4,6,9,10,13	
	Mon	10	Debt and Taxes <b>HW5 Due</b>	Ch 15, excl 15.4	1,6,10,25	3,8,11,16	
	Tue	11	Financial Distress, Managerial Incentives, and Information	Ch 16	1,4	3,5,8,11,16a,19,27	
	Wed	12	Payout Policy	Ch 17, excluding 17.5	2,5,31	3,7,21,29,33,34	
	Thu	13	Capital Budgeting and Valuation with Leverage <b>HW6 Due</b>	Ch 18, excl 18.4, 18.8 & Appendix	1,4,8	6,12,15,23	
		<b>Exam III</b>					

**To register for FIN 357 (71785):**

1. Go to [pearsonmylabandmastering.com](http://pearsonmylabandmastering.com).
2. Under Register, click **Student**.
3. Enter your instructor's course ID: [toprac94225](#), and click **Continue**.
4. Sign in with an existing Pearson account or create an account:
  - If you have used a Pearson website (for example, MyITLab, Mastering, MyMathLab, or MyPsychLab), enter your Pearson username and password. Click **Sign in**.
  - If you do not have a Pearson account, click **Create**. Write down your new Pearson username and password to help you remember them.
5. Select an option to access your instructor's online course:
  - Use the access code that came with your textbook or that you purchased separately from the bookstore.
  - Buy access using a credit card or PayPal.
  - If available, get 14 days of temporary access. (Look for a link near the bottom of the page.)
6. Click **Go To Your Course** on the Confirmation page. Under MyLab & Mastering New Design on the left, click **FIN 357 (71785)** to start your work.

**Retaking or continuing a course?**

If you are retaking this course or enrolling in another course with the same book, be sure to use your existing Pearson username and password. You will not need to pay again.

**To sign in later:**

1. Go to [pearsonmylabandmastering.com](http://pearsonmylabandmastering.com).
2. Click **Sign in**.
3. Enter your Pearson account username and password. Click **Sign in**.
4. Under MyLab & Mastering New Design on the left, click **FIN 357 (71785)** to start your work.

**Additional Information**

See **Students > Get Started** on the website for detailed instructions on registering with an access code, credit card, PayPal, or temporary access.