



Course Syllabus

Section 1. Course Objective

FIN 357 introduces concepts and analytical tools used in corporate finance as well as applications. 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 (even if it is not in finance). It provides the foundation to understand how firms approach financial decision-making. Regardless of the student's future career, these tools and techniques will also provide valuable tools to make personal finance decisions such as purchasing a home or preparing a budget.

Section 2. Contact Information

Instructor: Lee Seltzer
Office: CBA 3.332C
Office Hours: 2:30-3:30 M-Th
Email: lseltzer@utexas.edu

Feel free to drop in unannounced during office hours. Otherwise, email is the best way to communicate with me outside of class. Occasionally, office hours will need to be changed. These changes will be announced in class and posted on Canvas as announcements. Furthermore, it is my philosophy that the teacher works for their students not the other way around. Therefore, you can e-mail me anonymously from the below address at any point in the class to provide feedback as to how best to improve the class:

E-mail: SeltzerFin357@gmail.com

Password: Summer2018

Note I can guarantee a response but cannot guarantee I will take your advice (for instance if I get feedback that I should cancel the final, I likely will not oblige).

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 (**make sure you get Connect access**):

1. Hardcover book + Connect access: (Co-op)
2. Looseleaf book + Connect access: (Co-op)
3. All digital (eBook + Connect access): (Connect online)

4. All digital (option 3) plus a looseleaf book: (Connect online)

Name Plate: Each student should display a name plate while in class. If you do not have a BBA provided name plate, you can get a cardboard nameplate.

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 also on Canvas. For assistance, click on “Help” in the upper-right hand corner of the screen, or call (800) 331-5094.

Clicker: We will be using iClicker Classic remote student response system during class each day. You can use a new or used iClicker, iClicker+ or iClicker2, all of which are available at the Co-op at 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 357 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 class 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 aren’t not allowed to share a clicker with, or borrow a clicker from, anyone currently enrolled in any section of FIN 357 that I teach. Allowing another student in this course, or simply **having more than one clicker in your possession is a violation of the University’s academic integrity rules.**

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 Business 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.

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. Grading

Your grade in this course will be determined by your performance on the following:

Exams: 3 Exams @ 25% each	75%
Quizzes (best 2 of 3):	10%
Homework (lowest 2 % scores dropped):	5%
Daily iClicker Quizzes (lowest 5 % scores dropped)	5%
Valuation Exercise: Excel-based case to be completed during class	5%
Course Total	<u>100%</u>

The McCombs grading guidelines recommend a GPA range from 3.0 to 3.2 for undergraduate business core courses. Generally, there will be about and 30% A's, 40-50% B's, 20-30% C's or below. Students scoring in the top 10% of the class on the final exam will receive an A in the course provided they have completed all other assignments in the course (handed in all homework and taken all exams and quizzes). These A's will be additional and will not hurt any other student's grade. 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 (you'll learn this is also true when analyzing investments, consider this your first lesson). 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.

Re-grade requests for exams and homework must be made in writing within three (3) class days after the graded materials is returned in class. Requests must clearly and specifically state your reasons for objecting to your assigned score on a particular question. Please keep in mind that the whole exam, instead of a specific question, is subject to re-grading.

Section 6. 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.** The Exam Dates are as follows:

Exam 1: July 25

Exam 2: August 6

Exam 3: August 16

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 _____.

Section 7. Connect

Homework: At the end of each chapter of your text, there are “Concept Questions,” as well as computational “Questions and Problems.” Several of the latter problems have been assigned as required homework in Connect, entitled “Ch 2”, “Ch 3,” etc. The assignments are graded, by you will be allowed 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. The percentage scores of your lowest 2 assignments will be dropped.

Homework is due in Connect by 11:59 pm (one minute before midnight) on the due date. Due dates are provided in the Course Schedule at the end of this syllabus, as well as in Connect. All homework for each week will typically be due on Sunday (although typically you will have more than one homework assigned each week, and I strongly caution against waiting until Sunday to start all of them). The only exceptions will be the homework for Ch. 6, 16 and 19 which will be due on midnight the night before the exam. After their due dates, the homework problems will remain available to re-work for additional practice.

LearnSmart: Connect also provides an adaptive learning tool called LearnSmart. This tool is an excellent way to approach your first reading of each chapter. Your LearnSmart results will not be graded; however, I will use them to help design lectures that best fit your needs (and for this reason I strongly encourage its use).

How to Succeed in this Class?

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.

Section 8. Quizzes

3 quizzes will be administered at the beginning of class (approximately 20 minutes.) throughout the course and consist of 10 questions/problems. They will not be announced in advance. Any quizzes missed for a non-excused absence will count as a zero. Only students with university excused absences on quiz days will still drop their lowest quiz and average the remaining scores.

Section 9. iClicker Quizzes

There will be an iclicker quiz each day during class. You will submit your answers using your iClicker handheld device. You will earn 2 point for each correct answer that you submit, and 1 point for each incorrect answer. If you do not submit an answer, you will earn 0 points.

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 a computer with you during class to complete the exercise. If necessary, you can rent a computer from the Media Services desk on the 3rd floor of McCombs. 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 days before you intend to employ the accommodation. Academic accommodation notification deadlines are below:

Exam 1: July 23

Exam 2: August 2

Exam 3: Subject to Final Exam Schedule

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* (with readings from the textbook)

Week 1

July 16: Introduction (Ch. 1)

July 17: Financial Statements and Cash Flows (Ch. 2)

July 18: Financial Statements Analysis and Financial Models (Ch. 3)

July 19: Time Value of Money and Discounted Cash Flows (Ch. 4)

Week 2

July 23: Valuing Bonds (Ch. 5)

July 24: Stock Valuation (Ch. 6)

July 25: **Exam 1 (Ch. 1-5)**

July 26: Net Present Value and Investment Rules (Ch. 7)

Week 3

July 30: Capital Investment Decisions (Ch. 8)

July 31: Risk Analysis, Real Options and Capital Budgeting (Ch. 9)

August 1: Risk and Return: Lessons from Market History (Ch. 10)

August 2: CAPM (Ch. 11)

Week 4

August 6: **Exam 2 (Ch. 6-11)**

August 7: Cost of Capital (Ch. 12)

August 8: Efficient Capital Markets and Behavioral Challenges/Capital Structure (Ch. 13/14)

August 9: Capital Structure (Ch. 14/15)

Week 5:

August 13: **Valuation Modeling**

August 14: Dividend Payout/DCF Modeling (Ch. 16)

August 15: Raising Capital (Ch. 19)

August 16: **Exam 3 (Ch. 12-16, 19)**

*Note I reserve the right to change the lecture schedule when convenient