

**FINA 3770.009**

**Introduction to Finance and Financial Management**

**Class Meetings:** 3:30 – 4:50 PM on Tuesday and Thursday

**Classroom:** BLB 070

**Instructor:** Huaibing Yu

**Office:** BLB 304B

**Office Hours:** 4:50 PM – 6:50 PM (Thursday) or by appointment

**Email:** [huaibing.yu@unt.edu](mailto:huaibing.yu@unt.edu)

**Course Description:** This course provides an introduction to finance and financial markets. Topics covered include an overview of the money and banking system, interest rates, the time value of money, asset valuation, financial information, financial analysis and decision-making, and the institutional structure of securities markets.

**Prerequisites:** Completion of pre-business requirements, including ACCT 2010 and ACCT 2020 or equivalent courses (completed with grades of “C” or better), or consent of the department.

**Required Textbook:** *Foundations of Finance by Keown, Martin, and Petty; 10th edition; Pearson.*  
Note: For each chapter, I will post practice problems that are intended to supplement the textbook. To thoroughly understand the basic financial concepts, you are required to read each chapter before coming to the class.

**Required Calculator:** Texas Instruments BA II Plus is highly recommended and is the only calculator that I will use for in-class problems. However, if you choose to use another type of financial calculator, please make sure that it is able to calculate time value of money problems and you can operate it comfortably.

**Email Policy:** If I need to contact you to convey class-related information, in keeping with University policy, I ONLY will use your official UNT email address. Thus, it is YOUR responsibility to check your UNT email on a regular basis. I will NOT reply unofficial emails sent from personal accounts such as Yahoo, Gmail etc. If you send an email to me, please only use your official UNT email account and do the following: (1) use the phrase "FINA 3770" in the subject heading; (2) make sure your FULL NAME also appears in the subject; (3) sign your email using your full name. Also, any communication regarding grades must be through official UNT email accounts or in person (university policy).

**Canvas:** Canvas will be utilized to communicate important announcements, distribute class material, and post exam grades. Please be in the habit of regularly checking Canvas for class information. Canvas can be accessed at [canvas.unt.edu](https://canvas.unt.edu)

**Tutoring:** The Department of Finance maintains a FREE tutoring lab to assist you with your finance courses. The finance lab is located in BLB 006. You may find supplementary materials in the finance lab that can help you to master the topics covered in this class. Additionally, copies of the textbook are available to use in the lab. For a lab schedule, please refer to <http://www.cob.unt.edu/lab/tutor.php> or contact the lab at [finalab@unt.edu](mailto:finalab@unt.edu).

**Acceptable Student Behavior:** Student behavior that interferes with an instructor's ability to conduct a class or other students' opportunity to learn is unacceptable and disruptive and will not be tolerated in any instructional forum at UNT. Students engaging in unacceptable behavior will be directed to leave the classroom and the instructor may refer the student to the Center for Student Rights and Responsibilities to consider whether the student's conduct violated the Code of Student Conduct. The university's expectations for student conduct apply to all instructional forums, including university and electronic classroom, labs, discussion groups, field trips, etc. The Code of Student Conduct can be found at <http://www.unt.edu/csrr>.

**Electronic Devices:** You may use laptops, cell phones, or any other electronic devices (except for a calculator) ONLY for class related activities, such as taking notes and viewing class slides. Using electronic devices for personal entertainment is strictly prohibited.

**Lectures and Class Attendance:** Class lectures will closely follow the textbook; however, I may alter the material in order to focus on key topics and concepts. The lectures may consist of material and calculation techniques that are not covered in the textbook. Therefore, consistent class attendance is extremely important to be successful in this class. Class attendance is mandatory. I may take attendance throughout the semester. You are expected to arrive on time and stay until the end of class.

If you must miss class, please obtain the notes from a classmate and download the lecture slides from Canvas. You will be responsible for all of the material covered in class as well as any in-class announcements. The university policy regarding attendance can be found at: <http://policy.unt.edu/policy-manual>.

**Exams: There will be two midterms and one final exam.** Each midterm covers materials for the related chapters. The lowest score of the two midterms will be dropped. At the end of the semester, a departmental final exam will be administered. The final exam is comprehensive.

All tests are True/False or multiple-choice questions. Please bring a calculator and a #2 pencil. I will provide the Scantron. A financial calculator and a one-page (front and back) reference sheet will be allowed during exams. The size of the reference sheet cannot exceed 8.5X11 inches. You cannot staple or attach pieces of paper together to create your reference sheet.

Please note: For multiple choice questions, only what is bubbled on Scantrons will be graded. It is the student's responsibility to correctly transfer final answers onto Scantrons during exams.

Makeup exams are given only if you have a valid university-approved excuse (with appropriate documentation provided) - example: an athlete representing UNT at various games. Under those circumstances, if you let me know ahead of time, I will consider arranging a makeup exam and/or equivalent measures.

Below is the schedule for the midterm exams:

- 1<sup>st</sup> Midterm Exam: **Oct 3<sup>rd</sup>**
- 2<sup>nd</sup> Midterm Exam: **Nov 14<sup>th</sup>**
- Final Exam: **Dec 12<sup>th</sup>**

**Note: the group project will be due by Nov 12<sup>th</sup>**

Please note: there is no make-up exam for the final exam. If you happen to miss the final exam, you will receive a grade of zero for the final exam and it will be calculated toward your course grade. Special circumstances will be handled at the discretion of the instructor and in accordance with university policy. Also, there will be no office hours during finals week. Exam scores will be posted on Canvas after each test. In general, I will not spend much time reviewing exam questions in class following an exam.

**Grading:**

The Highest of the Two Midterm Exam Scores	30%
Group Project	30%
Final Exam Score	40%
Total	100%

**Grading Scale:**

A:	90.00% and above
B:	80.00% - 89.99%
C:	70.00% - 79.99%
D:	60.00% - 69.99%
F:	59.99% and below

I reserve the right to curve grades depending on overall classroom performance. Any curving will only improve a student's calculated grades and will never reduce them. If your final grade at the end of the semester is just below the cutoff for the next letter grade, you may still receive the higher semester grade. Final course grade decisions will be made at the sole discretion of the instructor. I will treat everyone equally and fairly.

Please note: student grades are protected and made private by the Family Educational and Privacy Rights Act of 1974. No one at UNT can discuss the grades of a student except with that student or, in certain circumstances, with the student's parents. Thus, I cannot discuss the performance of any of other students with you. University policy requires that grades be assigned to individual students on the basis of the individual student's performance in the class and in compliance with the grading criteria set forth in the course syllabus. For grade appeal, it must be done within one week of the posted grade date. I will not look into grades appealed after 1 week past the date of grade postings for any exam. If you think that your grade (not someone else's) was awarded inequitably, please refer to the University Policy on Grade Appeals. You can access the policy by following this link:<https://policy.unt.edu/policydesc/grade-appeals-procedure-15-2-7>.

**Homework:** You are expected to read the assigned chapters before each class session begins. Solutions for problems at the end of the chapter will be provided after we finish a chapter. The problem sets will not be graded for credit; however, midterm exams and the final exam will be highly related to these

problem sets. If you have questions or need help for your homework, the finance lab is a highly recommended resource to use. There will be tutors ready to answer your questions and help you go through course materials.

**Incompletes:** I will adhere to the university policy regarding the assignment of a grade of “Incomplete.” Students will not be assigned a grade of incomplete unless he or she is in compliance with the university policy that can be found at <http://registrar.unt.edu/grades/incompletes>.

**Dropping the Course:** You can drop this class online at MyUNT. You may want consult with your academic advisor to obtain more information. You do not need to see me in order to drop the course.

**Disability Accommodation:** The University of North Texas is on record as being committed to both the spirit and letter of federal equal opportunity legislation; reference Public Law 92-112 – The Rehabilitation Act of 1973 as amended. With the passage of federal legislation entitled Americans with Disabilities Act (ADA), pursuant to section 504 of the Rehabilitation Act, there is renewed focus on providing this population with the same opportunities enjoyed by all citizens. I am required by law to provide “reasonable accommodations” to students with disabilities, so as not to discriminate on the basis of that disability. Student responsibility primarily rests with informing faculty of their need for accommodation and in providing authorized documentation through designated administrative channels. For additional information, see the Office of Disability Accommodation website at <http://disability.unt.edu>. If you need an accommodation, please contact me as soon as possible but no later than the second week of class.

**Academic Dishonesty:** Academic dishonesty is defined in the UNT Policy on Student Standards for Academic Integrity. Any suspected case of academic dishonesty will be handled in accordance with university policy and procedures. Students are expected to maintain a high level of ethical conduct in this course. Evidence of academic dishonesty will result in a grade of “F” and expulsion from this course.

**Student Perceptions of Teaching (SPOT):** Student feedback is important and an essential part of participation in this course. The student evaluation of instruction is a requirement for all organized classes at UNT. The survey will be made available during weeks 13 and 14 of the long semesters to provide students with an opportunity to evaluate how this course is taught. Students will receive an email from "UNT SPOT Course Evaluations via *IASystem* Notification" ([no-reply@iasystem.org](mailto:no-reply@iasystem.org)) with the survey link. Students should look for the email in their UNT email inbox. Simply click on the link and complete the survey. Once students complete the survey, they will receive a confirmation email that the survey has been submitted. For additional information, please visit the spot website at [www.spot.unt.edu](http://www.spot.unt.edu) or email [spot@unt.edu](mailto:spot@unt.edu).

**Please note:** Depending on the learning progress of the class and/or unexpected circumstances, I reserve the right to change items or rules on this syllabus. If there is any change, I will make an announcement in the class.

**Emergency Evacuation Procedures for Business Leadership Building:** Severe Weather In the event of severe weather, all building occupants should immediately seek shelter in the designated shelter-in-place area in the building. If unable to safely move to the designated shelter-in-place area, seek shelter in a windowless interior room or hallway on the lowest floor of the building. All building occupants should take shelter in rooms 055, 070, 090, and the restrooms on the basement level or in rooms 170, 155, and restrooms 122, 182 or 183 on the first floor.

**Bomb Threat/Fire** In the event of a bomb threat or fire in the building, all building occupants should immediately evacuate the building using the nearest exit. Once outside, proceed to the designated assembly area. If unable to safely move to the designated assembly area, contact one or more members of your department or unit to let them know you are safe and inform them of your whereabouts. Persons with mobility impairments who are unable to safely exit the building should move to a designated area of refuge and await assistance from emergency responders. All building occupants should immediately evacuate the building and proceed to the south side of Crumley Hall in the grassy area, west of parking lot 24.

### **Helpful Study Suggestions:**

1. Come to class every session and be on time
2. Read each chapter on the textbook before coming to the class
3. Take notes during lectures
4. Work on homework questions and review lectures notes in groups and alone
5. Use finance lab for tutoring

### **Lecture Topics**

1. Introduction to Financial Management
  - Five Principles that Form the Foundations of Finance
  - The Role of Finance in Business
  - Legal Forms of Business Organization
2. Financial Markets and Interest Rates
  - Types of Financial Markets
  - Rates of Return in Financial Markets
  - Interest Rate Determination
3. Financial Statements and Cash Flows
  - Key Concepts in Financial Accounting
  - Financial Statement Analysis
  - Income Taxes and Finance
4. Evaluating a Firm's Financial Performance
  - The Purpose of Financial Analysis
  - Measuring Key Financial Relationships
  - Limitations of Financial Ratio Analysis
5. Time Value of Money
  - Compound Interest, Future and Present Value
  - Annuities and Perpetuities
  - Comparing Interest Rates
6. Risk, Return, and the CAPM
  - Expected Return and Standard Deviation
  - Risk and Diversification
  - The Investor's Required Rate of Return (CAPM)
7. Valuation and Characteristics of Bonds
  - Types of Bonds

- Terminology and Characteristics of Bonds
  - Bond Valuation and Yields
8. Valuation and Characteristics of Stock
- Types of Stock
  - Terminology and Characteristics of Stock
  - Stock Valuation and Expected Rate of Return
9. Cost of Capital
- Key Definitions and Concepts
  - Weighted Average Cost of Capital (WACC)
10. Capital-Budgeting Decisions
- Finding Profitable Projects
  - Capital-Budgeting Decision Criteria
  - Ranking Mutually Exclusive Projects

<b>Topics and Tentative Schedule</b>			
<b>Week</b>	<b>Sessions</b>	<b>Topic</b>	<b>Assignments</b>
1	8/27 8/29	Syllabus and Introduction Financial Markets and Interest Rates	Read Ch1 HW Assignment Ch1
2	9/3 9/5	Financial Markets and Interest Rates Financial Markets and Interest Rates	Read Ch2 HW Assignment Ch2
3	9/10 9/12	Financial Statements and Cash Flows Financial Statements and Cash Flows	Read Ch3 HW Assignment Ch3
4	9/17 9/19	Financial Statements and Cash Flows Evaluating a Firm's Financial Performance	Read Ch4 HW Assignment Ch4
5	9/24 9/26	Evaluating a Firm's Financial Performance Time Value of Money (I)	Read Ch5 HW Assignment Ch5(I)
6	10/1 10/3	Time Value of Money (I) <b>Midterm 1</b>	
7	10/8 10/10	Time Value of Money (II) Time Value of Money (II)	HW Assignment Ch5(II)
8	10/15 10/17	Valuation and Characteristics of Bonds Valuation and Characteristics of Bonds	Read Ch7 HW Assignment Ch7
9	10/22 10/24	<b>Group Project</b>	
10	10/29 10/31	Valuation and Characteristics of Bonds Risk, Return, and the CAPM	Read Ch6 HW Assignment Ch6
11	11/5 11/7	Risk, Return, and the CAPM Valuation and Characteristics of Stock	Read Ch8 HW Assignment Ch8
12	11/12 11/14	Valuation and Characteristics of Stock <b>Midterm 2</b>	<b>Group Project is due on 11/12</b>
13	11/19 11/21	Cost of Capital Cost of Capital	Read Ch9 HW Assignment Ch9
14	11/26 11/28	Capital-Budgeting Decisions <b>Thanksgiving Break (No Class)</b>	Read Ch10
15	12/3 12/5	Capital-Budgeting Decisions Comprehensive Review	HW Assignment Ch10
<b>Dec 12, Thursday, Department Final Exam (4-6 PM, Room Location TBD)</b>			
<i>Note: schedules &amp; materials are tentative and subjected to change depending on learning progress and circumstances</i>			