

Course Syllabus: FINA 4310.002, Spring 2024

Valuation and Financial Decisions

Class Meetings: 12:30 PM-1:50 PM (Tuesday and Thursday)
Classroom: BLB 170
Instructor: Lezgin Ay,
Email: lezgin.ay@unt.edu
Office Hours: Tuesday, 2:00PM-3:00PM at BLB 304C or by appointment
Teaching Assistant: Yara Mohammed,
Email: YaraMohammed@my.unt.edu
Office Hours/Location: TBA

Course Description & Learning Objectives:

The central objective of the course is to understand the valuation concepts that underlie financial decision-making by corporate management. The course builds your knowledge from FINA 3770 and uses tools of financial analysis to evaluate and assess the valuation framework of an individual company. In addition, finance theories will be discussed to understand the conceptual valuation framework for investment. After completing the course, students should have the following skills and knowledge:

1. Analyze the financial health of a firm using its financial statement information.
2. Estimate a firm's cost of capital
3. Apply models of return and risk in analyzing investment decisions.
4. Evaluate investment projects using discounted cash flow techniques.

Course Prerequisites:

Completion of pre-business requirements, including FINA 3770, ACCT 2010, and ACCT 2020 or equivalent courses (with a C or better).

Required Textbook:

Corporate Finance: Core Principles and Applications, 6th edition, published by McGraw Hill.

Other Materials:

You need a financial calculator. I recommend **Texas Instruments BA II Plus**. You also need access to a computer with Excel.

Canvas

Access to the course instructions and class materials will be via Canvas. Please be in the habit of regularly checking Canvas.

Tutoring:

The Department of Finance maintains a **FREE tutoring lab** to assist you with your finance courses. The tutoring lab is available at: finalab@unt.edu

Grade Determination:

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|-------------------|-----|----------------|-----|
| Quizzes | 5% | Group Problems | 20% |
| Valuation Project | 15% | Exam I-II | 60% |

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

Group Problems:

I will post problems in class every Thursday except for the first and last. These are to be done by the groups in class. You will only receive credit for a group problem if you **actively participate in class**. I won't tolerate anyone free-riding within a group. You need to be present and **show your best effort**. The lowest grade will be dropped. Each group will submit one copy.

Quizzes

You will have **at least five online quizzes** and the quiz with the lowest grade will be dropped. These are to be done individually. Quizzes will typically consist of ten multiple-choice questions. These will cover the required readings and the material discussed in the prior classes. I will announce the date and the topics for each quiz beforehand.

Valuation Project:

The valuation project will include the analysis of the firm, industry, and macro environment as well as the formal valuation and discussion of your analysis. The project is due **May 8th**. Each group will submit one copy. I will provide more details as we progress.

Exams:

There will be two closed-book exams. You may use a calculator. I will provide the formulas you need for the exams. Cheat sheets are not allowed. The topics covered will be announced before each exam. The exams will consist of ten multiple-choice questions, one or two short answer questions, and six or seven problems. See the schedule below for the exam dates.

Make-up Exam:

Make-up exam may be given only if you have a valid university-approved excuse (with appropriate documentation provided) - example: a student representing UNT at a conference. Under those circumstances, if you let me know in writing during the first two weeks of class, I will consider arranging a makeup exam and/or equivalent measures.

ODA Policy:

Students seeking reasonable accommodation must first register with the Office of Disability Access (ODA) to verify their eligibility. If a disability is verified, the ODA will provide you with a reasonable accommodation letter to be delivered to the faculty to begin a private discussion regarding your specific needs in a course. You may request reasonable accommodations at any time; however, ODA notices of reasonable accommodation should be provided as early as possible in the semester to avoid any delay in implementation. For additional information, refer to the Office of Disability Access website (www.unt.edu/oda).

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. Evidence of academic dishonesty will result in a grade of "F" and expulsion from this course. **There must be no collaboration on graded quizzes and exams.**

Course Schedule. Subject to change due to unexpected circumstances.

| Date | Topic | Reading |
|--------|---|---------|
| 16-Jan | Syllabus | |
| 18-Jan | Introduction to Corporate Finance | Ch. 1 |
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| 23-Jan | Financial Statements and Cash Flows | Ch. 2 |
| 25-Jan | Financial Statements and Cash Flows | Ch. 2 |
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| | Part I: Valuation | |
| 30-Jan | Financial Statement Analysis and Financial Models | Ch. 3 |
| 01-Feb | Financial Statement Analysis and Financial Models | Ch. 3 |
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| 06-Feb | Discounted Cash Flow Valuation | Ch. 4 |
| 08-Feb | Discounted Cash Flow Valuation | Ch. 4 |
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| 13-Feb | Stock Valuation | Ch. 6 |
| 15-Feb | Stock Valuation | Ch. 6 |
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| 20-Feb | Risk and Return | Ch. 10 |
| 22-Feb | Risk and Return | Ch. 10 |
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| 27-Feb | Exam I Review | |
| 29-Feb | Exam I | |
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| 05-Mar | Return and Risk (Optimal Risky Portfolios I-II) | Ch. 11 |
| 07-Mar | Return and Risk (Optimal Risky Portfolios I-II) | Ch. 11 |
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| 12-Mar | Spring Break | |
| 14-Mar | Spring Break | |
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| 19-Mar | CAPM | Ch. 11 |
| 21-Mar | CAPM | Ch. 11 |
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| 26-Mar | Risk, Cost of Capital, and Valuation | Ch. 12 |
| 28-Mar | Risk, Cost of Capital, and Valuation | Ch. 12 |
| | | |

| Date | Topic | Reading |
|--------|---|---------|
| 02-Apr | Risk, Cost of Capital, and Valuation | Ch. 12 |
| 04-Apr | Risk, Cost of Capital, and Valuation | Ch. 12 |
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| | Part II: Special Topics | |
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| 09-Apr | Options and Corporate Finance | Ch. 17 |
| 11-Apr | (No class - out of town for a conference) | |
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| 16-Apr | Options and Corporate Finance | Ch. 17 |
| 18-Apr | Options and Corporate Finance | Ch. 17 |
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| 23-Apr | Efficient Capital Markets and Behavioral Challenges | Ch. 13 |
| 25-Apr | Efficient Capital Markets and Behavioral Challenges | Ch. 13 |
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| 30-Apr | Exam II Review | |
| 02-May | Exam II | |
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| 08-May | Project Submission | |