

Course Syllabus: FINA 4310.002, Fall 2023

Valuation and Financial Decisions

Class Meetings: 9:30AM-10:50AM (Tuesday and Thursday)
Classroom: BLB 015 (See the weekly schedule for virtual classes)
Instructor: Lezgin Ay,
Email: lezgin.ay@unt.edu
Office Hours: Tuesday, 11:00AM-12:00AM at BLB 304C or by appointment
Teaching Assistant: Ramya Reddy Gummi,
Email: RamyaReddyGummi@my.unt.edu
Office Hours/Location: TBD

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 valuation framework of an individual company. In addition, finance theories will be discussed to understand 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. You can use older versions if you want but not reading the book will put you at a disadvantage.

Other Materials:

- Financial Calculator: **Texas Instruments BA II Plus** is recommended.
- Access to a computer with Excel.

Canvas

The Canvas website is your primary interface with the course. Access to the course instructions and class materials will be via Canvas. Please be in the habit of regularly checking Canvas for class information. A small portion of the class will be delivered **virtually**. The details of these virtual sessions will be announced on Canvas. See below schedule for the virtual session.

Tutoring:

The Department of Finance maintains a **FREE tutoring lab** to assist you with your finance courses. The tutor lab is available to all students enrolled in finance courses. Students can email the Finance Tutor Lab at: finalab@unt.edu

Electronic Devices:

The use of cell phones or any other electronic devices (except for a calculator) is prohibited during the class as they distract you and your classmates. However, you can use your laptop/tablet solely for notetaking purposes. If any of your classmates distract you during class by using electronic devices, please email me and I will rectify the situation.

Class Lectures & Attendance:

Consistent class attendance is extremely important to be successful in this class. If you must miss class, please obtain the notes from a classmate and/or review the lecture slides from Canvas. You will be responsible for the materials covered in the class as well as any in-class announcements. The university policy regarding attendance can be found at: <http://policy.unt.edu/policy-manual>.

Grade Determination:

Quizzes	5%	Group Problems	20%
Valuation Project Part I	10%	Valuation Project Part II	15%
Participation	10%	Exam I	20%
Exam II	20%		

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	

Quizzes

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

Group Problems:

I will distribute or post problems in class. These are to be done by the groups in class. You will only receive credit for a group problem if you are present in class. The lowest grade will be dropped. Each group will submit one copy. I will announce the date for each group problem beforehand.

Valuation Project:

The valuation project will be done in two parts. Part I will include the initial analysis of the firm, industry, and macro environment. This part is due October 20th. Part II will include a revised version of Part I as well as the formal valuation and discussion of your analysis. Part II is due December 12th. Each group will submit one copy for both Part I and II. I will provide more details as we progress.

Participation:

You are encouraged to participate in class by asking/answering questions. Your participation grade will consist of in class participation as well as your individual effort in group problems and valuation project. You will fill two individual evaluation forms, one for the group problems and one for the valuation project, to tell me the percentage of work done by each member of your group including yourself. I expect close to equal participation by each member. The feedback I get from your group members will determine majority of your participation grade. The individual evaluation forms will be provided towards the end of the semester.

Exams:

There will be two closed-book exams. You may use a calculator. I will provide the formulas you need for the exams, but you can also create a one-page cheat sheet containing only formulas. 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:

Makeup 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:

The University of North Texas makes reasonable academic accommodation for students with disabilities. 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 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. Note that students must obtain a new letter of reasonable accommodation for every semester and must meet with each faculty member prior to implementation in each class. Students are strongly encouraged to deliver letters of reasonable accommodation during faculty office hours or by appointment. Faculty members have the authority to ask students to discuss such letters during their designated office hours to protect the privacy of the student. For additional information, refer to the Office of Disability Access website (<http://www.unt.edu/oda>). You may also contact ODA by phone at (940) 565-4323.

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>.

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. **There must be no collaboration on graded quizzes, and exams.**

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) 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 or email spot@unt.edu.

Course Schedule. Subject to change due to unexpected circumstances.

Date	Topic	Reading
22-Aug	Syllabus	
24-Aug	Introduction to Corporate Finance	Ch. 1
29-Aug	Financial Statements and Cash Flows	Ch. 2
31-Aug	Financial Statements and Cash Flows	Ch. 2
	Part I: Valuation	
05-Sep	Financial Statement Analysis and Financial Models	Ch. 3
07-Sep	Financial Statement Analysis and Financial Models	Ch. 3
12-Sep	Discounted Cash Flow Valuation (Virtual)	Ch. 4
14-Sep	Discounted Cash Flow Valuation (Virtual)	Ch. 4
19-Sep	Stock Valuation	Ch. 6
21-Sep	Stock Valuation	Ch. 6
26-Sep	Risk and Return	Ch. 10
28-Sep	Risk and Return	Ch. 10
03-Oct	Exam I Review	
05-Oct	Exam I	
10-Oct	Return and Risk (Optimal Risky Portfolios I)	Ch. 11
12-Oct	(No class - out of town for a conference)	
17-Oct	Return and Risk (Optimal Risky Portfolios II)	Ch. 11
19-Oct	Return and Risk (Optimal Risky Portfolios II)	Ch. 11
20-Oct	Project Part I Submission	
24-Oct	CAPM	Ch. 12
26-Oct	CAPM	Ch. 12
31-Oct	Risk, Cost of Capital, and Valuation	Ch. 12
02-Nov	Risk, Cost of Capital, and Valuation	Ch. 12

Date	Topic	Reading
07-Nov	Risk, Cost of Capital, and Valuation	Ch. 12
09-Nov	Risk, Cost of Capital, and Valuation	Ch. 12
	Part II: Special Topics	
14-Nov	Options and Corporate Finance	Ch. 17
16-Nov	(No class - out of town for a conference)	
21-Nov	Fall Break	
23-Nov	Fall Break	
28-Nov	Options and Corporate Finance	Ch. 17
30-Nov	Efficient Capital Markets and Behavioral Challenges	Ch. 13
05-Dec	Exam II Review	
07-Dec	Exam II	
12-Dec	Project Part II Submission	