

FINA 4310.001

Spring, 2017

Thursdays, 6:30 to 9:20 PM.

Room: BLB 170

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Tu, Th; 10:30 - 11:30 AM
Tu, Th; 5:45 - 6:15 PM
(No office hours during finals
week)

Course Title: Valuation and Financial Decisions

Required Text: Corporate Financial Management by Emery, Finnerty and Stowe (fourth edition).

Course Prerequisites:

FINA 3770 with a "C" or better.

Course Objectives:

The central objective of the course is to understand the valuation concepts that underlie financial decision making by corporate management. Sub-objectives include understanding the pricing of risk for the purpose of valuing the firm's assets, understanding how dividend and capital structure decisions may add value to the assets of the firm, and understanding how options help in the valuation of the firm's assets.

Homework:

Homework consists of problems from the text and elsewhere. I do not grade homework. However your success on the exams, without doubt, depends on your ability to do homework problems. I go over most of the homework problems in class.

Attendance Policy:

I advise you to attend class regularly. I do not alter your grade based upon attendance. However, I may drop students for poor attendance. Also, in all of my classes there has been a high correlation between poor attendance and poor grades.

Exams:

There are three exams. Exam 1 is worth 20%, exam 2 is worth 35% and the comprehensive final exam is worth 45% of your grade. Please make your travel arrangements carefully as all exams are allowed on only the scheduled exam dates and there are no makeup exams. In the rare case of real hardship, I will allow a student who is unable to take one of the first two exams to take a special final. This will be a longer exam (requiring more time) covering the entire course. In this case the final will count for either 65% or 80% of the overall grade.

Grades:

Letter grades are assigned as follows:

A is 90% - 100%, B is 80% - 89%, C is 70% - 79%, D is 60% - 69%, and F is 59% or below.

Course grades are posted on the internet and mailed by the university.

Notice for students with disabilities

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 new 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.

As a faculty member, 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. Information regarding specific diagnostic criteria and policies for obtaining academic accommodations can be found at <http://www.unt.edu/oda/apply/index.html>. Also, you may visit the Office of Disability Accommodation in the University Union (room 321) or call them at (940) 565-4323. If you need an accommodation, please contact me as soon as possible but at the latest by 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. Possible academic penalties include a grade of “F” in the course. You will find the policy and procedures at <http://vpaa.unt.edu/academic-integrity.htm>

Student Perceptions of Teaching (SPOT)

The Student Perceptions of Teaching (SPOT) is a requirement for all organized classes at UNT. This short survey will be made available to you at the end of the semester, providing you a chance to comment on how this class is taught. Your comments are an essential input in the process of continuous teaching improvement. So, please participate. The administration of the SPOT will begin a few weeks before the end of the semester and remain open for about two weeks.

Eagle Connect Account:

All students should activate and regularly check their EagleConnect (e-mail) account. You may obtain information about EagleConnect at <https://eagleconnect.unt.edu/>.

Course Outline: A tentative course outline is given below.

<u>Dates</u>	<u>Topic</u>	<u>Relevant chapter in text</u>
Jan. 19	Risk and Return	Ch. 6
Jan. 26	Asset Pricing Models	Ch. 7
Feb. 2	Weighted Average Cost of Capital	Ch. 8
Feb. 9	Overflow or review	
Feb. 16	EXAM 1	
Feb. 23	Capital Budgeting Cash Flows	Ch.10
Mar. 2	Capital Budgeting Cash Flows, continued	Ch.10
Mar. 9	Options	Ch. 12
Mar. 16	***Spring Break, no class***	
Mar. 23	Options, continued	Ch. 12
Mar. 31	Hedging	Ch. 13
Apr. 6	Overflow or review	
Apr. 13	EXAM 2	
Apr. 201	Agency Theory, Market Efficiency	Ch. 14, Ch. 15
Apr. 27	Capital Structure	Ch. 16
May 4	Overflow or review	
May 11	FINAL EXAM (at 6:30 pm in usual classroom)	