

FINA 5310.002

Spring, 2020

Tuesdays, 6:30 to 9:20 PM

Room: BLB 060

Mazhar A. Siddiqi

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Office Hrs:

M, Tu, W, Th, 11-11:45 A.M.

(No office hours during finals week)

Course Title: Advanced Topics in Financial Management

Required Text: Principles of Corporate Finance by Brealey, Myers and Allen, 12th ed.Course Prerequisites

FINA 5170. ECON 1100 or 5000 or equivalent. ACCT 2010 or 5020 or equivalent. MATH 1190 or equivalent.

Course Description

This course seeks to explain the fundamental financial concepts of risk, return, efficient markets and embedded options that underlie corporate decisions in the areas of project valuation, dividend policy and capital structure.

Course Objectives

The central objective of the course is to understand the theory that underlies corporate financial decision making. Sub-objectives thus include understanding the pricing of risk in financial markets, understanding the relation between market efficiency and corporate financing, understanding dividends and capital structure and understanding the valuation of real options that are often imbedded in otherwise ordinary capital budgeting problems.

Homework

Homework consists of problems from the text and elsewhere. I do not grade homework. Your success on the exams, however, 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. I may, however, 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 30%, exam 2 is worth 30% and the final exam is worth 40% of your grade. The final exam is **not** comprehensive. Please make your travel arrangements carefully as all exams are allowed on only the scheduled exam dates. Only in rare cases of real hardship will students be allowed to take makeup exams.

Grades

A, 90 - 100; B, 80 - 89; C, 70 - 79; D, 60 - 69; F, 0 - 59.

Course grades are posted 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 Eagle Connect (e-mail) account. You may obtain information about Eagle Connect at <https://eagleconnect.unt.edu/>.

Course Outline: A tentative course outline is given below.

<u>Date</u>	<u>Topic</u>	<u>Relevant chapter in text</u>
Jan. 14	Financial risk and return	Ch. 7
Jan. 21	The Capital Asset Pricing Model (CAPM)	Ch. 8
Jan. 28	Risk and Cost of Capital	Ch. 9
Feb. 4	Review or overflow	
Feb. 11	Exam 1	
Feb. 18	Market efficiency and its implications	Ch. 11, Ch. 13
Feb. 25	Dividend policy	Ch. 16
Mar. 3	Capital structure and taxes	Ch. 18
Mar. 10	***Spring Break***	
Mar. 17	Review or overflow	
Mar. 24	Exam 2	
Mar. 31	Capital budgeting with debt, subsidized financing	Ch. 19
Apr. 7	Options, basics	Ch 20
Apr. 14	Options, valuation	Ch. 21
Apr. 21	Capital budgeting and embedded options	Ch. 22
Apr. 28	Review or overflow	
May 5	Final Exam (at 6:30 PM in usual classroom)	

