

4310: Advanced Financial Management

Instructor Contact

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Office Hours: 12:30 – 2pm and by Zoom appointment

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Communication Expectations:

The Canvas website is your primary interface with the course. Access to the course instructions and class materials will be via Canvas. I will use the announcement tool to inform you of any schedule changes, changes in assignments, due date changes, etc., so be sure to check for new announcements each time you log in.

I will check the Canvas class page and my email at least once each weekday. I will normally respond to your emails within 24 hours. While my office phone number is listed at the beginning of this syllabus, student's primary mode of contacting me should be via email.

Course Description

This course incorporates lectures, discussion sessions, and cases to review and build on your knowledge from FIN 3770. The objective of this course is to study the major decision-making areas of managerial finance such as corporate valuation, capital structure and corporate reorganizations. Further, this course introduces students to topics relating to mergers, private equity and corporate governance.

Course Prerequisites

Completion of FINA 3770, ACCT 2010, and ACCT 2020 or equivalent courses (with a C or better)

Course Objectives

By the end of this course, students will be able to:

1. Analyze the financial health of a firm using its financial statements
2. Project a firm's unleveraged free cash flows
3. Estimate a firm's cost of capital
4. Use a discounted cash flow approach to value a firm
5. Use a Relative valuation approach to value a firm
6. Perform sensitivity analysis of each valuation approach.

Materials

- Recommended:
 - Investment Valuation: Tools and techniques for determining the value of any assets, by Damodaraon, 3rd edition, ISBN-13:978-1118011522, Publisher: Wiley
 - Corporate Finance: Core Principles and Applications, Ross, Westerfield, Jaffe, and Jordan, 4th edition, published by McGraw Hill.
 - The text book is more of a reference source. It contains the descriptive part of a good chunk of what I discuss in class and has questions at the end of the chapter which you can answer to test your knowledge of each topic.
 - A basic **financial** calculator like the TI BAII Plus can be useful to work problems sets. Knowing the Excel time value of money functions can be a substitute for a financial calculator as well. Most TI graphing calculators are acceptable substitutes for a financial calculator because they have time value of money functions. However, I will be teaching how to use the TI BAII Plus.
 - The WSJ is an excellent source of current information related to financial topics. Every student in a Ryan College of Business master's program in finance gets electronic access to the WSJ. You can request your subscription with this [link](#).

Grading

| Assignment | Percentage of Final Grade |
|--|----------------------------------|
| Final Individual Project (Valuation) | 50% |
| Quizzes (2) | 25% |
| Homework & In-class exercises (drop the lowest) | 25% |
| Total Points Possible | 100% |

Grading Scale

Include the grading scale (A-F) along with the point totals/percentages you will use to calculate the final grade. For example:

A = 90% or more of possible points

B = 80% - 89% of possible points

C = 70% - 79% of possible points

D = 60% - 69% of possible points

F = less than 60% of possible points

No student will be provided with opportunities to earn "extra credit" beyond the assignments described.

Course Evaluation

Student Perceptions of Teaching (SPOT) is the student evaluation system for UNT and allows students the ability to confidentially provide constructive feedback to their instructor and department to improve the quality of student experiences in the course.

Course Policies

Attendance Policy

Attendance will not be taken and will not figure directly into determining grades. However, class time will be spent discussing cases, WSJ articles, and current events. Since significant class time will be spent on class discussion I expect each student to be prepared to engage with classmates because you are responsible for all material discussed in class.

I assume that when you are not in class that you are deriving more utility from some other activity. Therefore, don't ask me "Is there anything that I need to go over?" but rather get brought up to speed by one of your classmates, study-group members, and/or the announcements and materials on Canvas.

Homework Policy

There are two types of homework assignments; (1) includes problems relating to a topic (capital structure) posted in Canvas, or (2) a 1 to 2 paged (typed) analysis of a case, or topic discussed in class. A homework assignment will be graded on correctness and/or the depth of analysis. It must be turned in on the **due date** to receive full credit. Late homework will be marked down one letter grade for each day the assignment is late. Your lowest homework grade will be dropped.

You will have one opportunity to complete each homework assignment so take your time and working with other students in the course is encouraged.

Examination/Quiz Policy

Two quizzes will be given during the semester. The quiz will take approximately 1 - 2 hours and will entail short written answers and/or problem solving. The quiz will be a mixture of short answer questions, and work out problems.

Formula sheet: You can have a one page (8-by-11) handwritten cheat sheet during the exam/quiz.

Technical Assistance

Part of working in the online environment involves dealing with the inconveniences and frustration that can arise when technology breaks down or does not perform as expected. Here at UNT we have a Student Help Desk that you can contact for help with Canvas or other technology issues.

UIT Help Desk: [UIT Student Help Desk site](http://www.unt.edu/helpdesk/index.htm) (<http://www.unt.edu/helpdesk/index.htm>)

Email: helpdesk@unt.edu

Phone: 940-565-2324

In Person: Sage Hall, Room 130

Walk-In Availability: 8am-9pm

Telephone Availability:

- Sunday: noon-midnight
- Monday-Thursday: 8am-midnight
- Friday: 8am-8pm
- Saturday: 9am-5pm

CLASS SCHEDULE*:

| | TOPIC |
|------------------------------------|---|
| WEEK 1 Jun, 22 nd | Introduction, Review of Corporate Finance Interpreting Financial Statements OCF, FCF, EV Amazon Example Payout Policy Modigliani and Miller Theorem HW #1: Calculating OCF, FCF, and EV |
| WEEK – 2 June 29 th | <u>Part 2: Capital Structure & Valuation Approaches</u> Capital Structure & Cost of Capital Capital Structure: Limits to the Use of Debt Case Discussion Modigliani and Miller Theorem HW #2: Capital Structure & WACC |
| WEEK – 3 July, 6 th | QUIZ #1 Financial Forecasting Discounted Cash Flow Approach Relative Valuation Approach HW #3: DCF Valuation |
| WEEK – 4 July, 13 th | Introduction to Mergers & Acquisitions Recapitalizations & Leveraged Buyouts HW #4: Relative Valuation |
| WEEK – 5 July, 20 th | QUIZ #2 Intro to Corporate Governance VALUATION PROJECT DUE JULY 24 |

****Note: This is a tentative course outline. Alterations may be made.***

Problems with Canvas

The University is committed to providing a reliable online course system to all users. However, in the event of any unexpected server outage or any unusual technical difficulty which prevents students from completing a time sensitive assessment activity, students should immediately report any problems to the instructor and contact the UNT Student Help Desk: helpdesk@unt.edu or 940.565.2324 and obtain a

ticket number. In deciding how to deal with problems of this nature, I will rely on the help desk report, so it is very important that you contact the help desk quickly.

If the student help desk cannot resolve the problem in a timely manner, you should then immediately email me to document the situation. If the help desk reports to me that the problem is due to a flaw in the exam or a malfunction of Canvas or other UNT systems, I will consider allowing you more time to complete the exam or allowing you to take a makeup exam at a later date. If the help desk reports no UNT system or exam problems and your classmates report no problems, then I will assume that the problem is local with your computer, internet service, or system and you will be required to take the comprehensive exam in lieu of Exam III at the end of the term to make up the exam that you could not complete. You should check that any computer that you plan to use for the exam has been properly set up for Canvas before the exam begins.

UNT Policies

Academic Integrity Policy

Academic Integrity Standards and Consequences. According to UNT Policy 06.003, Student Academic Integrity, academic dishonesty occurs when students engage in behaviors including, but not limited to cheating, fabrication, facilitating academic dishonesty, forgery, plagiarism, and sabotage. A finding of academic dishonesty may result in a range of academic penalties or sanctions ranging from admonition to expulsion from the University.

ADA Policy

UNT makes reasonable academic accommodation for students with disabilities. Students seeking accommodation must first register with the Office of Disability Accommodation (ODA) to verify their eligibility. If a disability is verified, the ODA will provide a student with an accommodation letter to be delivered to faculty to begin a private discussion regarding one's specific course needs. Students may request accommodations at any time, however, ODA notices of 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 accommodation for every semester and must meet with each faculty member prior to implementation in each class. For additional information see the [ODA website \(https://disability.unt.edu/\)](https://disability.unt.edu/).

Emergency Notification & Procedures

UNT uses a system called Eagle Alert to quickly notify students with critical information in the event of an emergency (i.e., severe weather, campus closing, and health and public safety emergencies like chemical spills, fires, or violence). In the event of a university closure, please refer to Canvas for contingency plans for covering course materials.

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 Dean of Students 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. Visit UNT's [Code of Student Conduct](https://deanofstudents.unt.edu/conduct) (https://deanofstudents.unt.edu/conduct) to learn more.

Student Evaluation Administration Dates

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, 14 and 15 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](http://spot.unt.edu/) (http://spot.unt.edu/) or email spot@unt.edu.