

Fall 2015

Introduction to Finance and Financial Management,

FINA 3770

Tu, Th 12:30pm-1:50pm

Office Hours Tuesday 10:30-12:30

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Overview

The primary objective of this course for students is to understand the tools and concepts in financial decision-making, including the choice of investments and portfolio management. We will develop an understanding of the time value of money and use this to value uncertain cash flow, to perform asset valuations, and to assess the desirability of different investment projects. We will develop the skills to understand the basic investment criteria as well as the trade-off between risk and return.

Book and Requirements

The required text for this course is: **Fundamentals of Corporate Finance (3rd Edition), Pearson Series in Finance, 2014**, by [Jonathan Berk](#), [Peter DeMarzo](#), [Jarrad Harford](#), ISBN-13: 9780133507676, ISBN-10: 013350767, Edition: 3rd

You will also need a **calculator**. I strongly recommend a financial calculator. I will use Texas Instruments' BA II Plus during class. Financial calculators are permitted in exams. If you choose to use another type of calculator, make sure it is capable of calculating Internal Rate of Return (IRR) with uneven cash flows, amortizing, time-value of money calculations. I will not illustrate on other types of calculators.

Bring your calculator to class.

This course will require considerable study outside of class. The course will be structured as a combination of lectures, discussion and accompanied by related reading assignments and problem sets. The best way to prepare for exams is to work the assigned problems. It is very important that you keep up with the assigned work so that you will not be overwhelmed at exam time.

I will take attendance. You are expected to arrive on time and stay till end of the class. I will give bonus points up to 2 for attendance and activity class participation.

Electronic Devices

The use of cell-phones is strictly prohibited in the class, including texting. Please *turn off* cell-phones before the lectures start. Laptop computer is allowed during the class if it is used for class purpose.

Tutoring Service:

The Department of Finance maintains tutoring lab to assist you with your finance courses. The finance lab is located at **BLB 132**.

Grading

No make-up exam will be given. Plan your schedule accordingly. Your grade will be determined by your performance on project and exams.

Grading	
3 Midterms	60%
Final	40%
Total	100%

The final grading scale is:

A: $\geq 90\%$

B: 80% - 89%

C: 70% - 79%

D: 60% - 69%

F: $\leq 59\%$

Grade Appeals

All grade appeals must be done within two weeks of the posted grade. I will not look into grades appealed after two weeks past the date of grade postings for any exam.

Practice question

You will have practice questions from the book throughout the semester. I will not collect those questions, but it is very important that you work on them. The goal of practice questions is to help your understand the material and prepare for the exams. I want you to work in groups of 3-4 students. Note that questions similar to the practice question may appear on exams – so it is important that you understand how to work problems **by yourself**.

Exams

Exams are closed book and closed note, however you may bring **one page** of cheat sheet. There will be three midterms and a final exam. Your lowest scored midterm exam will be dropped. Midterm Exams will cover the new material. Final exam is cumulative. Tests will consist of multiple choice questions. The final exam can NOT be dropped. No make-up exams.

E-mail

I will reply the emails in timely fashion. However, some questions may not be easily answered via email, and then I may ask you to stop by my office. Sometimes your

questions are important enough that they are worth bringing to the attention to the whole class, I will address it in our class.

Disability

If you have an established disability, it is your responsibility to inform me about your accommodation.

Academic Honesty

Students are expected to maintain a high level of ethical conduct in this course. Any evidence of an act of academic dishonesty will result in a grade of “F”. Please adhere to University policies and the UNT Code of Conduct and Discipline with respect to academic ethics and honesty.

COURSE OUTLINE (Tentative, depend on class progress)

Week	Chapter	Topic/Assigned Reading	Assignments
Week 1	1	Corporate Finance and the Financial Manager	
Week 2	2	Introduction to Financial Statement Analysis	
Week 3	3	Time Value of Money: An Introduction	
Week 4	4	Time Value of Money: Valuing Cash Flow Streams	
Week 5	3 & 4	Time Value of Money – Timelines/Formulas and Excel, Review	Exam Class(9/24)
	1 – 4	Midterm#1	
Week 6	5	Interest Rates	
Week 7	6	Bonds	
Week 8	7	Stocks	
Week 9	5,6,7	Review, Midterm#2	Exam Class(10/22)
Week 10	8	Investment Decision Rules	
Week 11	11	Risk and Return in Capital Market	
Week 12	12	Systematic Risk and the Equity Risk Premium	
Week 13	8, 11,12	Review, Midterm#3	Exam class (11/19)
Week 14	13	The Cost of Capital	
Week 15	13	The Cost of Capital (cont.), final review	
Final Exam Week	FINAL EXAM IN CLASS The Final Exam is a common exam for the Department.		