



Business & Public Leadership Department of Business

FINANCE 3770D

Fall, 2014

Course Objectives: This course is designed to introduce students to the financial management of a corporation. Students will learn how firms decide whether to invest in a new project; how firms select a financing method for their projects, and how much debt and equity a firm should use to finance its activities; the effect of taxes on a firm's investment and financing decisions; Firm valuation **The emphasis throughout the course is on the economic principles that underlie answers to these questions.**

COURSE DESCRIPTION

This course covers intermediate and advance issues in corporate finance. The course will include issues in capital budgeting, cost of capital, dividend policy, capital structure long term financing, mergers and acquisitions, and international financial management.

Learning Outcomes

At the end of this course, students will be:

- 1) Knowledgeable about how a firm evaluates and decides whether to invest in a new project or not
- 2) Knowledgeable about how a firm decide on the level of debt and equity they should use to finance its activities
- 3) Knowledgeable about how a firm pays its investors
- 4) Knowledgeable about the impact of taxes on a firm's investment and financing decisions
- 5) Able to determine the value of a firm

Instructor: Dr. Mostafa Malki,
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Office Hours: Monday: Wednesday: 2:00pm to 4:00pm
And by appointment

REQUIRED TEXTBOOK

Keown, Martin, and Petty: **Foundations of Finance** 8/E ISBN-10: 0133423999 • ISBN-13: 9780133423990

Students are required to purchase a MyFinanceLab Access Card and a financial calculator.

COURSE POLICIES AND INSTRUCTIONS

Exams and Grading: Grades will be based upon performance on quizzes, class project, 2 exams and comprehensive final exam.

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| Quizzes | 20% |
| Exam 1: | 25% |
| Exam 2: | 25% |
| Final exam: | 30% |

***Note: With the exception of the final exam, all other exams are scheduled tentatively.**

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| Grading scale: | A= (90-100) |
| | B= (80-89) |
| | C= (70-79) |
| | D= (60-69) |
| | F= (59 and below) |

In the case of make-up exams, students will need a university-approved excuse for the absence. It is the student's obligation to provide the university excuse and to arrange a make-up exam time and date no later than 1 week after the excused absence with the instructor. Any missed exam without an excused absence will be assigned zero percent. More than three unexcused absences will make it extremely difficult to effectively learn the material and to pass the exams.

Turn cell phones off before coming to class. Do not leave the class before the time is up unless it is an emergency.

Academic Honesty and Student Discipline: Please review the relevant section of the UNT System Regents' Rules and Regulations outlining the Academic Honesty Code and the Code of Student Discipline. Scholastic dishonesty includes but is not limited to cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another

person, any act designed to give unfair advantage to a student or the attempt to commit such acts.

The Department of Business expects students to pursue their academic work with honesty and integrity, and violations of the academic honesty and discipline codes will be dealt within the appropriate manner. It is a practice of the Department of Economics to investigate medical and other excuses for missing exams or assignments to verify their legitimacy.

http://policy.unt.edu/sites/default/files/untpolicy/pdf/7-Student_Affairs-Academic_Integrity.pdf

Special Accommodations: Students with disabilities can register for services with the Student Life Office after being accepted to UNT and registering for classes. Students must provide documentation of their disability according to the documentation guidelines noted below. In order to register, students must contact the Student Life Office to set up an intake appointment.

The following adaptive equipment is available at UNT Dallas for student use:

- Zoom Text (Screen magnification software)
- JAWS (Screen reader software)
- CCTV Magnifier (Enlarges books and other documents)
- Naturally Speaking Software
- Megadots (Translates alpha and numeric characters to Braille)
- Juliet Braille Printer

Americans with Disabilities Act: UNT does not discriminate on the basis of disability in the recruitment and admission of students, the recruitment and employment of faculty and staff, and the operation of any of its programs and activities, as specified by federal laws and regulations. Copies of this document may be obtained in the Office for Students with Disabilities. The student has the responsibility of informing the course instructor (at the beginning of the course) of any disabling condition which will require modification to avoid discrimination. As a faculty member, I am required by law to provide "reasonable accommodation" to students with disabilities, so as not to discriminate on the basis of that disability. Student responsibility primarily rests with informing faculty at the beginning of the semester and in providing authorized documentation through designated administrative channels.

***Note: I reserve the right to make changes to the syllabus.**

Outline

PART I. The Scope and Environment of Financial Management

1. An Introduction to the Foundations of Financial Management
2. The Financial Markets and Interest Rates
3. Understanding Financial Statements and Cash Flows
4. Evaluating a Firm's Financial Performance

Exam 1

Part II. The Valuation of Financial Assets

5. The Time Value of Money
6. The Meaning and Measurement of Risk and Return
7. The Valuation and Characteristics of Bonds
8. The Valuation and Characteristics of Stock
9. The Cost of Capital

Exam 2

Part III. Investment in Long-Term Assets

10. Capital-Budgeting Techniques and Practice
11. Cash Flows and Other Topics in Capital Budgeting

Part IV. Capital Structure and Dividend Policy

12. Determining the Financing Mix
13. Dividend Policy and Internal Financing

Part V. Working-Capital Management and International Business Finance

14. Short-Term Financial Planning
15. Working-Capital Management
16. International Business Finance
17. Cash, Receivables, and Inventory Management

Final Exam