

FINN 3226-090
FINANCIAL THEORY & PRACTICE
Spring 2015

Instructor: Sailu Li

Time and Location: 06:30 - 9:15PM, Wednesday, Rowe 161

Contact: Friday 393, 704-687-7451

Email: sli20@uncc.edu

Office Hours: Wednesday 2:00 - 3:30PM or by appointment

Textbook: *Intermediate Financial Management*, Eleventh Edition

Authors: Eugene F. Brigham & Phillip R. Daves

Publisher: South-Western Cengage Learning

Prerequisites: FINN 3120 (Financial Management)

Course Objective:

This course provides an understanding of modern finance theory and its applications to corporate finance. We'll explore the decision-making aspects of planning for, acquiring, and allocating capital within the firm in a practical, and where appropriate, theoretical context. This includes but not limited to valuation of miscellaneous financial securities (bond, stock, etc.), accounting for financial management, cost of capital and capital budgeting, optimization problems, as well as socio-economic aspects of financial management. While this course provides greater depth on theories behind the topics covered in introductory financial management, it also introduces new topics such as financial options, real options, modern portfolio theory and efficient market hypothesis.

Course Material

This class uses *Moodle* to post most class material including, but not limited to, announcements, class slides, homework, etc. Students are responsible for checking their UNCC student e-mail and *Moodle* regularly for important information.

Homework:

Homework will be assigned WEEKLY via Moodle. Each homework contains 10-20 multiple choice questions. It's due at 6:29PM on the due date indicated. It's your responsibility to gain access to Moodle and submit your homework online on time. **Late homework will not be accepted.** Your lowest homework grade will be dropped and all the rest homework grades will be averaged to count for 10% of the final grade (40 points).

Quiz:

There're four quizzes in the format of multiple choice questions. Quiz dates are

marked in the tentative schedule. All quiz grades will be averaged to count for 10% of the final grade (40 points). **No makeup quizzes will be given.** If you miss a quiz WITHOUT legitimate reasons (see below), you'll get a 0 on that quiz. If you miss a quiz WITH legitimate reasons, the rest of your quiz grades will be averaged to count for 10% of your final grade.

Attendance:

Attendance is not required for this class. If you have to miss a class, not only that you are responsible for all announcements and material covered in your missed class(es), but also you cannot get your bonus in case extra credit work is given out in that class.

Test Policy:

Questions on one midterm and one final are provided as multiple choice questions. The midterm is based on Chapter 1-6 material. Final is **cumulative** with an emphasis on the material covered after the midterm. The midterm is graded out of 120 points and weighs 30%. Final is graded out of 200 points, which weighs 50% towards overall course grade.

- All tests are closed-book. But students are allowed to bring ONE 8.5"-by-11" (letter-sized) paper containing notes, formulae, etc. into each test. You may use both sides of the paper.
- Students cannot share calculators. If you forget your calculator, you must complete the test without the aid of a calculator.
- Students arriving late for the test may begin the test providing that no other student has turned in the test. Once a test has been turned in, late students are not permitted to take the test. No extra time will be given for students that are late for a test.
- If you have to go out of the classroom during the test, please leave your test paper, answer sheet, formula sheet, calculator and smartphones at the front desk. You can pick them up when you come back.

Test Make-up Policy:

All students are expected to take all tests firmly scheduled. **No makeup midterm exams will be given.** If you miss the midterm for a legitimate reason: (1) written proof must be provided. **Remember excused absences must provide a written proof from the appropriate official(s) indicating the exact dates for which exam was or will be missed.** Examples of acceptable reasons are: medical (minor illnesses not included, i.e. a cold), death or serious illness of family members, major traffic accident, athletes and others who represent the university on a regular basis; (2) your missed midterm grade will be replaced by your final exam **correct**

percentage. If you miss the final for a legitimate reason, you will be given an “Incomplete” and a makeup final will be arranged accordingly. **Students miss a test with unexcused absences will receive a score of zero.**

Grading Basis:

	Points	Percentage
Midterm	120 points	30%
Final(May.6th)	200 points	50%
Homework	40 points	10%
Quiz	40 points	10%
	400 points	100%

	Absolute Score	Percentage
A	above 360 points	above 90%
B	320-359 points	89-80%
C	280-319 points	79-70%
D	240-279 points	69-60%
F	below 240 points	below 60%

Calculator Policy:

Much of the course involves quantitative analysis. Please bring a calculator with financial functions to every class. Texas Instruments BA II Plus (including BA II Plus Professional) will be the calculator model used in classroom demonstrations. You may also consider Hewlett Packard 12C (including the HP 12C Platinum, 12C Platinum 25th anniversary edition, 12C 30th anniversary edition, and HP 12C Prestige). These two are excellent choices and are authorized for use during CFA® exams. For convenience, set the display format to four decimal places and the compounding frequency to 1x per period.

Purpose	TI BAII Plus Keystroke
Set the display format to four decimal places	[2nd][FORMAT][4][ENTER]
Set the compounding frequency to 1x per period	[2nd][P/Y][1][ENTER]

Important Dates:

Last Day to Audit	Jan.16th
Dr. Martin Luther King Jr. Day(University Closed).....	Jan.19th
Student Spring Recess-No Classes	Mar.2nd-7th
Drop Deadline for All Courses	Mar.17th
Midterm.....	Feb.25th 6:30-9:00PM
Final Exam	May.6th 8:00-10:30PM

Codes of Conduct:

It is your responsibility to be fully and accurately informed of University policies, including, but not limited to, rules regarding dropping and adding classes, graduation requirements, and student conduct. The Dean of Students Office is the authoritative source for these policies.

Regular attendance, promptness and appropriate classroom decorum is expected. Frequent tardiness or disruptive classroom behavior may result in a substantial grade penalty at the discretion of the instructor. Any use of cell phones during class is disruptive and will not be tolerated.

Students have the responsibility to know and observe the requirements of the **UNC Charlotte Code of Student Academic Integrity**. This code forbids cheating, fabrication or falsification of information, multiple submissions of academic work, plagiarism, abuse of academic materials, and complicity in academic dishonesty. Any special requirements or permission regarding academic integrity in this course will be stated by the instructor and are binding on the students. Students are expected to report cases of academic dishonesty to the course instructor.

Disability:

If you have a disability that affects your ability to do the work in this course, please contact the Office of Disability Services to obtain a Letter of Accommodation in the first week of the semester and provide it to the instructor. The office is 230 Fretwell and the phone number is 704-687-4355.

Diversity:

The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.

Extremely Tentative Schedule:

Week 1	1/7	Syllabus & Ch 1: Overview of Financial Management
Week 2	1/14	Ch 2: Risk and Return (Part I)
Week 3	1/21	Ch 3: Risk and Return (Part II) & Quiz 1
Week 4	1/28	Ch 4: Bond Valuation
Week 5	2/4	Ch 5: Basic Stock Valuation & Quiz 2
Week 6	2/11	Ch 6: Financial Options
Week 7	2/18	Ch 6 (cont'd) & Midterm Review
Week 8	2/25	Class Cancelled Due to Snow Break
Week 9		No Classes-Spring Break
Week 10	3/11	6:30-9:00pm Midterm (Chapter 1-6)
Week 11	3/18	Ch 7: Accounting for Financial Management
Week 12	3/25	Ch 8: Analysis of Financial Statements
Week 13	4/1	Ch 10: Determining the Cost of Capital & Quiz 3
Week 14	4/8	Ch 12: Capital Budgeting
Week 15	4/15	Ch 15: Capital Structure Decisions (Part I)& Quiz 4
Week 16	4/22	Ch 16: Capital Structure Decisions (Part II) & Final Review
Week 17	5/6	8:00-10:30pm Final Exam (Chapter 1-8, 10, 12, 15, 16)