



Spring 2016
FINANCE 6A35 – Managerial Finance

Course Syllabus

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Office Hours: Monday, 4:30 p.m. – 5:30 p.m.
Other times by appointment
Course Website: UH Blackboard
<http://www.uh.edu/blackboard/>

Time: Monday 6:00 p.m. – 9:00 p.m.
Location: Melcher Hall 116

Course Description

This course is the introductory Finance course, focusing on the fundamental concepts and principles related to financial decisions. We develop analytical techniques to quantify and measure “value” in the context of financial management. Topics include time value of money, stock and bond valuation, risk and return, cost of capital and capital budgeting.

We discuss and apply these concepts and techniques by working on practical examples and in-class problems, as well as homework assignments. The course is essential for business professionals in all areas, by providing the fundamentals and basic tools in financial decision making. Additionally, the course creates foundations for other important electives, like the “Capital Markets” course and then the “Portfolio Theory and Practice” course.

Textbook and Course Material

- **Recommended Course Textbook** (available at the bookstore or through the website <http://www.pearsonmylabandmastering.com/>)

Corporate Finance

Authors: Jonathan Berk, Peter DeMarzo

Publisher: Prentice Hall; 3rd edition.

Students can purchase the “*MyFinanceLab* access card with e-text” **or** the “Student Value edition with *MyFinanceLab* access card”. The access card is recommended for students who would benefit from additional practice problems, including sample quizzes and tests.

Please check the last page of the syllabus for registration details.

- Another excellent textbook on the course subject is “Principles of Corporate Finance” by Richard Brealey, Stewart Myers, and Franklin Allen (McGraw-Hill, 9th edition or higher).
- Additional readings -- mostly short articles from the *Wall Street Journal* and other specialized business publications -- will be assigned and posted on the course website as the course progresses.
- Calculator: a basic scientific calculator is needed for the exam, and it should be useful for homework assignments and in-class applications. Students may use a financial calculator if they already have one, but it is not required for the course. Each student must have his / her own calculator for exams. Each student is fully responsible for mastering his / her calculator’s functions and correct use.
- Excel: Excel spreadsheets will be used for homework assignment and classroom applications. Students should have access to computers with Excel capabilities, and basic knowledge of Excel functions.

Grading

• Homework assignments:	20 points
• Quizzes:	20 points
• Final Exam:	50 points
• <u>Class Participation:</u>	<u>10 points</u>
TOTAL:	100 points

Homework assignments

- There will be **five homework assignments** (each worth five points) and the grade will be based on the **four highest scores**, with a maximum of 20 points.
- Homework assignments are essential for a clear understanding of the concepts and analytical techniques developed in class. Students are allowed to work on homework assignments in small groups, if they want to. However, each student should individually prepare his / her own solutions to be turned in.
- All homework assignments will be posted on Blackboard and they must be submitted at the **beginning of the class, or by email before the class starts**. Late submissions will not be accepted. If a student is not able to attend class when an assignment is due, he / she must submit his / her assignment by email or by leaving a printed copy in the instructor's mailbox, anytime before the beginning of the class.

Quizzes

- There will be two quizzes, each worth 10 points. Each quiz will consist of one or two questions based on the material covered in the previous classes. Each quiz will be distributed at 7:00 p.m. on the date posted on the class schedule, and students will have 30 minutes to complete it.
- Absences during any quiz will result in an increase in the weight of the final exam grade on the overall grade by 10 points for each quiz missed. For example, if a student misses the first quiz, the weight of his / her final exam will increase from 50 points to 60 points.

Final Exam

- The exam will be based on the material covered in class, required readings and assignments.
- No books, computers, or class notes are allowed during the exam, except for one sheet of 8.5x11 notes (one side) that each student should carefully prepare in advance and bring to the exam.

Class Participation

- Students are strongly encouraged to participate in class. Class participation will be evaluated by the instructor based on each student's contribution to in-class problems and discussions, as well as his / her contribution to Blackboard discussion forums.

Preparing for Class

- The assigned readings for the lectures and a summary of the topics to be covered in class are posted on the class schedule, and they will be updated regularly on the course website. Students are strongly recommended to cover the readings before class.
- Lecture notes will be posted on the course website at the beginning of each week, and students are encouraged to print a copy to bring to class.
- Completion of all homework assignments and additional assigned exercises is expected for a good performance in the course. Students are strongly encouraged to work on examples covered in class and textbook exercises.

Re-grading and Make-up Exam

- There is no re-grading of homework assignments, only in exceptional circumstances.
- Requests for re-grading of exams will be accepted but must be made within two days after the graded exams are returned. The request must include a typed detailed note for each question with a grading discrepancy. However, the students must be aware that the entire exam will be re-graded, not only the specified question(s).
- If a student is unable to attend an exam, the instructor must be notified as soon as possible. In exceptional circumstances, the instructor might allow for a make-up exam to be discussed in a case-by-case basis and with sufficient evidence of the circumstances. The decision will be made at the discretion of the instructor.

Class Policies

- Attendance and class participation are essential for this course. We will have in-class exercises and regular discussions at the beginning of each class covering current news related to the course. All students are strongly encouraged to participate. Students should avoid disrupting class by arriving late or leaving early.
- The students are very welcome to stop by during office hours, to clarify the material, ask for further references, or simply discuss course topics of interest. The students should take advantage of this resource throughout the semester, not only before exams.
- The students are responsible for checking the course website regularly for updated materials and announcements.
- Cell phones must be turned off before coming to class. No texting is allowed during class.

Accessibility Statement

- The C.T. Bauer College of Business would like to help students who have disabilities achieve their highest potential. To receive academic accommodations, students must register with the Center for Students with Disabilities (CSD) (telephone 713-743-5400).

Academic Honesty

- As students enrolled in courses offered by the C.T. Bauer College of Business, you are expected to adhere to the ethical principles described in the Bauer Code of Ethics and Professional Conduct (Bauer Code), in addition to those required by the UH Student Handbook. You may review the Bauer Code by clicking on the following link: <http://www.bauer.uh.edu/BCBE/BauerCode.htm>. You should obtain and review a copy of the UH Student Handbook, available at: <http://catalog.uh.edu/content.php?catoid=15&navoid=4012>

Course Outline

The tentative outline of course topics is presented below. It will be updated on the course website as class progresses, and it may change accordingly. Note that the textbook readings, Berk and DeMarzo (“BDM”), refer to the third edition of the book. If Chapters are different in the second edition, it will be noted in parentheses below.

Week	Date	Topic	Readings	Assignments
1	01/25/16	Introduction to the course Time value of money	BDM, Chapter 3.1-3.3	
2	02/01/16	Time value of money (continued)	BDM, Chapter 4	
3	02/08/16	Interest rates	BDM, Chapter 5.1-5.3	Quiz 1 Homework 1 is due
4	02/15/16	Basics of bond valuation	BDM, Chapter 6.1-6.2; 6.4 (Ch. 8, 2 nd ed.)	Homework 2 is due
5	02/22/16	Investment decision rules	BDM, Chapter 7 (Ch. 6, 2 nd ed.)	Quiz 2 Homework 3 is due
6	02/29/16	Stock valuation	BDM, Chapter 9.1-9.2	Homework 4 is due
7	03/07/16	Pricing risk, CAPM Review of homework problems	BDM, Chapter 10 BDM, Chapter 12.1-12.2	Homework 5 is due
8	03/11/16	FINAL EXAM	*CLASSROOM TO BE CONFIRMED	

Last Update: 1/13/2016

To register for FINA 6A35 - Spring 2016:

1. Go to www.pearsonmylabandmastering.com.
2. Under Register, select **Student**.
3. Confirm you have the information needed, then select **OK! Register now**.
4. Enter your instructor's course ID: [piqueira81652](#), and **Continue**.
5. Enter your existing Pearson account **username** and **password** to **Sign In**.
You have an account if you have used a Pearson product, for example: MyMathLab, MyITLab, MyPsychLab, MySpanishLab or Mastering, such as MasteringBiology.
> If you don't have an account, select **Create** and complete the required fields.
6. Select an access option.
> Use the access code that came with your textbook or that you purchased separately from the bookstore.
> Buy access using a credit card or PayPal account.
> If available, get 14 days temporary access. (The link is near the bottom of the screen.)
7. From the confirmation page, select **Go To My Courses**.
8. On the My Courses page, select the course tile **FINA 6A35 - Spring 2016** to start your work.

To sign in later:

1. Go to www.pearsonmylabandmastering.com.
2. Select **Sign In**.
3. Enter your Pearson account **username** and **password**, and **Sign In**.
4. Select the course tile **FINA 6A35 - Spring 2016** to start your work.

To upgrade temporary access to full access:

1. Go to www.pearsonmylabandmastering.com.
2. Select **Sign In**.
3. Enter your Pearson account **username** and **password**, and **Sign In**.
4. Select **Upgrade access** from the course tile **FINA 6A35 - Spring 2016**.
5. Enter an access code or purchase access with a credit card or PayPal account.

For a registration overview, go to www.pearsonmylabandmastering.com/students/get-registered. Scroll down to **Need a little help?** and select a video.