

Finance Department, UIC

FIN 300: Introduction to Finance Fall 2012

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Class Meetings:

MWF 1:00-1:50pm

LCD 001

COURSE DESCRIPTION

This course covers the foundations of finance with applications in corporate finance and investment management. It discusses many of the major financial decisions made by corporate managers and investors. Essential in many of these decisions is the process of *valuation*, which will be an important emphasis of the course. Topics include criteria for making investment decisions, valuation of financial assets and liabilities, relationships between risk and return, and market efficiency.

PREREQUISITES

None

LEARNING OBJECTIVES

By the end of this course, you should be able to do the following:

- \$ Read and understand stock/bond/funds quotes in financial press.
- \$ Use time value of money techniques for personal/corporation financial planning.
- \$ Analyze/evaluate corporate financial statements.
- \$ Understand and use the appropriate methodology for long term investment decisions.
- \$ Evaluate and value financial assets.
- \$ Have an appreciation for how the discipline of finance fits in with other business disciplines.
- \$ Understand the importance of management of capital structure, both from a corporate and personal point of view.

TEXTBOOK AND SUPPLEMENTARY READINGS

The required textbook is

Jonathan Berk, Peter DeMarzo and Jarrod Harford, *Fundamentals of Corporate Finance*, 2nd edition, Addison Wesley, 2011.

The first few chapters are posted on blackboard before the book becomes available in the library.

The following books are optional supplementary readings and can be purchased in many bookstores or from online vendors.

Burton G. Malkiel: *A Random Walk Down Wall Street*, 10th edition
Virginia Morris and Kenneth Morris: *Standard and Poor's Guide to Money and Investing*, 1st edition

CLASS PREPARATION AND ATTENDANCE

This course covers a large amount of material in significant depth. *You are expected to be prepared for each session by doing the reading and working on the assigned case or problems.* You are strongly encouraged to be prepared for class and to keep up with the material as we go along, since it may be difficult to catch up if significant lags in preparation occur. You should also be sure to attend review sessions and/or consult with the instructor if you feel that you are falling behind.

THIS IS NOT A PASSIVE CLASS. The successful student must be ACTIVELY involved in his/her assimilation of the material. Successful assimilation of the material means a time commitment outside of class of, at least, 6 hours per week.

It is expected that all students attend all classes. COPIES OF THE COMPLETE LECTURE NOTES ARE NOT ONLINE OR AVAILABLE TO STUDENTS. Students are expected to take notes in class. It is also expected that students will be on time for class and will not disrupt the class by leaving early or by leaving and returning to class. We recognize that there are medical and other special circumstances that may cause a student to miss a class. Special circumstances may also arise that cause a student to miss part of a class. If such circumstances arise, students should contact the instructor (preferably by e-mail) and explain why it was necessary to miss part or all of a class session. This should be done before the absence if the absence is foreseen in advance and as soon as possible after the absence if the absence was unanticipated. Students who miss parts of class sessions or class sessions in their entirety without reasonable justification should expect that their class participation grade may be adversely affected in a significant way.

PROBLEM SETS

Several problem sets will be assigned during the semester with a due date noted on the assignment (problem sets will typically be due within a week). Your written submissions should be turned in at the beginning of the class on the due date. *Late submissions will not be accepted.*

You are encouraged to work with other students in the class on the problem sets. Sharing ideas and working together is one of the best ways to maximize your learning experience in the course. You may submit your solutions as a team *of up to 4 people*. Each group can submit only one copy of solutions. Grades on problem sets will be recorded by giving a "check-plus," "check," or "check minus."

BLACKBOARD

Assignments will be posted on Blackboard and communication between the Instructor and the class, outside of class and office hours, will be via Blackboard and email. Make sure the Registrar has an email address for you. A uic.edu address is preferred. Sometimes there are problems reaching email provided by outside services. If this is not possible, make arrangements with a classmate to provide you with information.

QUIZZES

Quizzes will be given four times during the term. The purpose of these quizzes is to give both the student and the instructor feedback on how well the course material is being assimilated. **The lowest quiz grade for Quizzes 1-3 will be dropped.** A grade of zero will be entered in the event of an absence on a date a quiz is given. Everyone must take Quiz #4, the final exam, which will be given during the final exam week. Thus, students can miss only one quiz. **Save the drop quiz for emergencies such as illnesses, accidents, work conflicts, babysitting problems, court dates, weather related delays, etc. NO MAKE-UP QUIZZES WILL BE**

GIVEN, WITH THE EXCEPTION OF QUIZ #4. NO EXCEPTIONS! Documentation, i.e. written medical excuse for the date of Quiz #4, will be required to make up Quiz #4. Tentative quiz dates will be listed on Blackboard as well as in this syllabus.

A formula sheet may be used during the quizzes. The formula sheet must be no larger than 8.5 inches by 11 inches. You may write formulas, notes, etc on ***only one side*** of the sheet. Nothing may be “hanging” off the formula sheet, i.e., no layering. The sheet will be checked at each quiz. Formula sheet must be handwritten.

BRING A CALCULATOR FOR EACH QUIZ. ONLY CALCULATORS MAY BE USED DURING THE QUIZ. HAND-HELD COMPUTERS AND SMART PHONES ARE NOT ACCEPTABLE. YOU MAY USE COMPUTERS DURING CLASS FOR CLASS NOTES.

The mid-term **quizzes** are 40 minutes and will be given in class on

Monday, September 24, 2012
Monday, October 22, 2012
Monday, November 19, 2012

The **final examination (quiz #4)** is 2 hours and will be an in class exam given in the final exam week. The final examination will cover the entire course.

<p>Quiz 4 (Final Exam) 1pm – 3pm Monday, December 10, 2012</p>

GRADING

In determining your course grade, the final exam (quiz #4) will be weighted by 40%, the quizzes by 25% each, and problem sets and class participation will receive a combined weight of 10%.

TUTORING

1. The College of Business provides tutoring in finance. The schedule for these tutors is available on the 11th floor of University Hall.
2. The instructor and the teaching assistant are happy to provide assistance during

office hours. Remember to consider these office hours when determining your work schedule.

HONOR CODE

This course and its associated course work are being administered under the policies of the University of Illinois at Chicago (UIC) College of Business Administration Honor Code. All students are expected to respect and uphold this code.

ABSOLUTELY NO FORM OF ACADEMIC DISHONESTY WILL BE TOLERATED.
ACADEMIC DISHONESTY MAY RESULT IN COURSE FAILURE!! Plagiarism in any form or any other violation of the CBA Honor Code will not be tolerated.