

FIN 300: Corporate Finance Spring 2019

Instructor:	Marcus Painter Office: 345K Gatton College of Business and Economics Email: marcus.painter@uky.edu
Class:	Section 002: MWF 09:00 AM – 09:50 AM (B&E 171) Section 003: MWF 10:00 AM – 10:50 AM (B&E 171)
Office Hours:	Monday and Wednesday 11:00 AM – 1:00 PM Or by appointment
Course Description:	This course will serve as an introduction to corporate finance. Students will be exposed to both fundamental theories and real-world applications in financial management. Particular focus will be given to the investment, financing, and payout decision of the firm. By the end of this course, you should (1) understand the role that financial managers play in a corporation, (2) know how to value future cash flows of a project, (3) comprehend basic bond and stock valuation techniques, and (4) be familiar with long-term financial policies of corporations.
Course Prerequisites:	This course has the following required prerequisites: ECO 201, ECO 202, ACC 201, ACC 202, MA 123, STA 291 or equivalent. The only exception is if the prerequisite waiver process has been satisfactorily completed. For further assistance please contact the Undergraduate Resource Center.
Course Materials:	<p>Textbook – I will be teaching this course using <i>Fundamentals of Corporate Finance, 11th Edition</i> by Ross, Westerfield, and Jordan. Older editions of this textbook are available online.</p> <p>McGraw-Hill Connect Account – A digital copy of the textbook is also available through Connect. A Connect account is required as we will use it for homework assignments. Follow the link corresponding to your section to sign up for Connect. Section 002: http://connect.mheducation.com/class/m-painter-fin300-002 Section 003: http://connect.mheducation.com/class/m-painter-fin300-003-1</p> <p>Financial Calculator – A financial calculator is strongly recommended for this course. I recommend the Texas Instruments BA II Plus as it is the calculator I will use when showing examples in class. Graphing calculators are allowed but I will not be using one for examples. Smart phones may not be used as calculators during exams.</p> <p>Canvas – I will use Canvas regularly to send out announcements and post grades. Be sure you have your email preferences set up so that you get alerts for these things.</p>
Exams:	There will be four (4), non-cumulative exams. Each of these four exams will count equally toward the exam grade. Exams are given during the regular class period as listed in the enclosed tentative class schedule. Only a provided formula sheet and a calculator are allowed for exams. No textbooks, notes, phones, or other

aids will be allowed during exams. There will be a review during the class before each exam.

Homework: There will be **twelve (12)** homework assignments. Each student will need to register for Connect to complete the homework. Each of these 12 homework assignments will count equally toward the homework grade (4 points each). The main purpose of homework is to prepare you for exams by providing information about format and content. A student with a firm grasp of the homework problems should perform well in this class.

All homework assignments will be assigned after the corresponding chapter is covered in lecture and are due by 11:59 PM the night prior to the exam. You may attempt each assignment as many times as you like, I will only count the highest grade. Late homework will not be accepted so be sure to turn them in on time. **I will drop your two (2) lowest homework scores.**

Participation: I will occasionally give in-class assignments. These will consist of a practice problem relevant to the lecture and will be completed in small groups and turned in during class. Attendance is required to receive credit for these assignments. If a group is caught adding the name of a student who is not in class, no members of the group will receive credit. I will also have students fill out learning feedback sheets prior to each test to gauge class understanding of the material. Turning in this feedback will also count towards participation.

Participation will be split into two grades, one for the start of the semester until the midterm and one from the midterm to the end of the semester. **Students are allowed one (1) free unexcused absence for each participation grade.** Note – you cannot save your unexcused absence from the first half of the semester and use it in the second half. **If you have an excused absence, documentation must be emailed to me either before class or within 48 hours of the end of class, or you will not receive credit for the missed participation.**

Title IV Monitoring: In order to meet federal regulations, the instructor will monitor student participation in this class through attendance or assignments. The instructor will assess student engagement at least once during the first three weeks of the semester using an instrument or activity. Students whose engagement cannot be determined on that date may be dropped from the course. If you will be missing any class period or will not be submitting an assignment during that period, it is your responsibility to notify the instructor, regardless if the absence or missed assignment is excused or not under University rules.

I will conduct the mandatory attendance on Wednesday, January 16th.

Grades:	Exams:	50 points	(4 x 12.5pts each)
	Homework:	40 points	(10 x 4pts each)
	Participation 1 (start of semester to midterm):	5 points	
	Participation 2 (midterm to final):	<u>5 points</u>	
		100 total	

Final grades:	90-100	= A
	80-89	= B
	70-79	= C
	60-69	= D
	<60	= E

Dispute Policy: If you have an issue with your assigned grade on a homework or exam, you may file a dispute. All requests must be made in writing within 24 hours of receiving the graded exam or homework.

Makeup Exam Policy: Senate Rule 5.2.4.2 defines the following as acceptable reasons for excused absences: (a) significant illness of the student or of a member of the student's household or immediate family, (b) the death of a member of the student's household or immediate family, (c) University-related trips, (d) major religious holidays, (e) other circumstances which the professor finds reasonable cause for absence.

Makeup exams will be given after the missed exam for University approved absences. If you miss an exam for a university approved reason, you must provide notification in time and the instructor has the right to ask for appropriate verification for the excused absences in order for them to be considered excused. A grade of ZERO for the missed exam will be recorded for unexcused absence or failure to notify the professor of an excused absence properly or in time.

When requesting a makeup exam, email marcus.painter@uky.edu with the Subject Line "FIN 300 Exam – Requesting Makeup Exam". Please include in the email your first name, last name, student ID, and a brief explanation why you are missing the exam. Your notification email must be sent at least 24 hours before the start time of the scheduled exam (if possible) or no later than 24 hours after the excused absence (if an emergency makes it impossible to notify me in advance). Appropriate verification must be provided before any makeup exam takes place. I will confirm via email the receipt of your notification and an assigned time slot and location for you to take the makeup exam.

Popular press: Reading Wall Street Journal and other financial news sources regularly will help you have a deeper understanding of the course materials and a more well-rounded view of the events. I will ask students to read relevant articles throughout the course. Students can access these through the internet or through the UK library's electronic resources with Factiva <http://libraries.uky.edu/DBSearch>. Any student wanting a reduced subscription to the WSJ, sign up here: <http://student.wsj.com/>

Accommodations Due to Disability: If you have a documented disability that requires academic accommodations please see me as soon as possible during scheduled office hours. In order to receive accommodations in this course, you must provide me with a Letter of

Accommodation from the Disability Resource Center (725 Rose Street, Multidisciplinary Science Building, Suite 407, 257-2754, dtbeac1@uky.edu) for coordination of campus disability services available to students with disabilities. Please submit the letter as early as possible and at least two weeks before the test date to allow time to schedule a makeup exam at the DRC.

Cheating: Any evidence of cheating will be dealt with using the rules of the UK University Senate. The minimum penalty for cheating on an exam is a grade of zero.

Tentative Schedule

Chapter 1: Introduction to Corporate Finance

Chapter 2: Financial Statements, Taxes, and Cash Flow

Chapter 3: Working with Financial Statements

Review

Exam #1 (Covering Chapters 1, 2, & 3): Wednesday, January 30th

Chapter 5: Introduction to Valuation: The Time Value of Money

Chapter 6: Discounted Cash Flow Valuation

Chapter 9: Net Present Value and Other Investment Criteria

Review

Exam #2 (Covering Chapters 5, 6, & 9): Wednesday, February 27th

Chapter 7: Interest Rates and Bond Valuation

Chapter 8: Stock Valuation

Chapter 17: Dividends and Payout Policy

Review

Exam #3 (Covering Chapters 7, 8, 17): Monday, April 1st

Chapter 15: Raising Capital

Chapter 12: Some Lessons from Capital Market History

Chapter 13: Return, Risk, and the Security Market Line

Review

Exam #4 (Covering Chapters 15, 12, & 13): Friday, April 26th

I reserve the right to make changes to the schedule as needed and will provide ample notice to any changes made.