FINANCIAL THEORY AND PRACTICE

(FINN 3226-090/SPRING 2013)

Class time: 6:30pm-9:15pm W
Class Location: Friday 137
Instructor: Ruoyang Wang
Office: Friday 210C
Office Phone: 704-687-7592
Office Hours: T: 5:00pm-6:15pm and TR: 11:00am-12:15pm or by appointment
Email: rwang5@uncc.edu

Course Objective and Prerequisite:

This course deals with modern finance theory and its applications in making corporate financial decisions. It provides not only greater depth on theories behind the topics covered in the introductory financial management course such as asset valuation, capital budgeting, and cost of capital, but also better understandings on the crucial linkages of these topics and the applications of these concepts in practice. The topics of optimal capital structure theory, dividend payout policy and agency conflicts will also be discussed. Additionally, the course will cover new topics on financial options, real options, and efficient market hypothesis, as well as their applications on corporate finance. PLEASE NOTE: Financial Management (FINN 3120) is a prerequisite for this course.
Material you need to use:

Textbook:
Intermediate Financial Management (11th ed, South-Western Cengage Learning) by Eugene F. Brigham and Phillip R. Daves. CengageNOW is required for this course. Student must register for this course in CengageNOW. If you purchase your textbook new through the bookstore, you will get both the text and student access code to CengageNOW. If you purchase the textbook separately, you need to purchase an access code.

Calculator:
Much of the course involves quantitative analysis. Consequently it is necessary for each student to have and be able to use a financial calculator capable of performing time value of money, net present value, and internal rate of return calculation. During exams, sharing calculators and using calculator manuals is strictly prohibited. I will be using a Texas Instruments BA II Plus calculator to present the calculator-solutions in class and will not explain how to use other calculators during class time.

Moodle:
In this class we use Moodle. It is available through your 49erExpress account or login directly on: http://moodle.uncc.edu. It will contain Power Point slides used for lectures as well as in-class problems, and other materials. Any announcements for the course will be posted on Moodle, and students are responsible for checking on at least a weekly basis. Students are also responsible for checking their UNC Charlotte student email for other important communication.

Other materials:
It is strongly recommended that you read The Wall Street Journal, which helps you understand how the concepts covered in class are applied in “real world” business settings.
When you study:

Class Participation and Attendance:

Class attendance is expected and encouraged. Active student participation is an important component of the learning process. Consequently, your participation is expected and encouraged. Read assignments before class and be prepared to answer the review and discussion questions at the end of each chapter. If you do not understand the material, ask questions in class. I encourage each of you to attend class on a regular basis and actively participate in classroom discussions and activities.

Classroom Protocol:

• The use of cell phones, beepers, or other communication devices is disruptive, and is therefore prohibited during class. Except in emergencies, those using such devices must leave the classroom for the remainder of the class period.
• Students are permitted to use computers during class for note-taking and other class-related work only. Those using computers during class for work not related to that class must leave the classroom for the remainder of the class period. Computers will not be allowed during exams.

Assignments:

Every student is expected to have completed daily reading prior to the appropriate class period. Homework assignments will be completed through the CengageNOW program. Students are encouraged to work in groups to complete and understand homework assignments. These assignments will count for 40% of the final grade. For additional practice, problems and cases are available at the end of each chapter.
**Evaluation**

**Grading Policy:**

Weekly Assignments: 40%, equal weight on each problem.  
**In Class Quizzes**: 30%, the best 10 out of 13 quizzes, each 3%.  
Final Exam (Cumulative): 20%  
**Two Cases**: 10%, 5% each case study

A: 90% and above,  
B: 80% and above,  
C: 70% and above,  
D: 60% and above,  
F: otherwise  
Grades will be curved if necessary.

**Exam Policy and Requirements:**

The quizzes and the cumulative final will all be in a multiple choice format. Answers will be recorded on OpScan answer sheets provided by the instructor. **A financial calculator and a #2 pencil with a good eraser** should be brought to class to record answers on the sheet.

Students are allowed to bring to each quiz **ONE** 8 ½"-by-11" letter size formula sheet containing handwritten notes and formulas, but for the cumulative final, **up to THREE** 8 ½"-by-11" letter size formula sheet containing handwritten notes and formulas are allowed. Therefore, when preparing for the quizzes and exam, there is no need to memorize the formulas, and students should focus on the concepts and methods used to analyze problems, and you should understand how to apply the formulas.

**Missed Exams**

The dates for the all exams are firm, and the final exam will be given according to the university’s final exam schedule. Make-up exams will not be given barring extreme circumstances. You must provide documentation of the reason for absence by a medical doctor or appropriate UNC-Charlotte official. No make-up provision is available for tests missed due to oversleeping, lack of preparation, vacation, social events (including weddings), traffic, trips, etc.
**Additional Important Information:**

**Codes of Conduct**

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 may not use cell phones during an exam.

Academic dishonesty is not tolerated by The Belk College of Business Administration or the instructor. Students are expected to be familiar with the university’s academic integrity policy. This policy can be found online at [http://www.legal.uncc.edu/policies/ps-105.html](http://www.legal.uncc.edu/policies/ps-105.html). Violations will be dealt with in the manner specified by the most recent edition of the *UNC Charlotte Code of Student Academic Integrity*.

**Nondiscrimination on the Basis of Disability Policy:**

Consistent with the requirements of the Acts, the University and all members of the faculty and staff shall operate its programs, activities, and services to ensure that no qualified individual with a disability shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any such program, activity, or service solely by reason of his/her disability. Students in this course seeking accommodations to disabilities must first consult with the Office of Disability Services and follow the instructions of that office for obtaining accommodations.

**Diversity:**

UNC Charlotte strives to create an 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.
# Tentative Class Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Quiz</th>
<th>Content</th>
<th>HW</th>
<th>Case Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>9-Jan</td>
<td>6:30pm-9:15pm</td>
<td></td>
<td>Syllabus Ch. 1 2</td>
<td></td>
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<tr>
<td>16-Jan</td>
<td>6:30pm-9:15pm</td>
<td>Quiz 1</td>
<td>Ch. 3 4 5</td>
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<tr>
<td>23-Jan</td>
<td>6:30pm-9:15pm</td>
<td>Quiz 2</td>
<td>Ch. 7 8 9</td>
<td>HW1 and HW2 Due</td>
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<tr>
<td>30-Jan</td>
<td>6:30pm-9:15pm</td>
<td>Quiz 3</td>
<td>Ch. 10 11 12</td>
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<tr>
<td>6-Feb</td>
<td>6:30pm-9:15pm</td>
<td>Quiz 4</td>
<td>Ch. 13 6</td>
<td>HW4 Due</td>
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<tr>
<td>13-Feb</td>
<td>6:30pm-9:15pm</td>
<td>Quiz 5</td>
<td>Ch. 14 15</td>
<td>HW5 Due</td>
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</tr>
<tr>
<td>20-Feb</td>
<td>6:30pm-9:15pm</td>
<td>Quiz 6</td>
<td>Ch. 16 17</td>
<td>HW6 Due</td>
<td></td>
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<tr>
<td>27-Feb</td>
<td>6:30pm-9:15pm</td>
<td>Quiz 7</td>
<td>Ch. 18 19</td>
<td>HW7 Due</td>
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<tr>
<td>6-Mar</td>
<td>6:30pm-9:15pm</td>
<td>Quiz 8</td>
<td>Ch. 19 20</td>
<td>HW8 Due</td>
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<td>13-Mar</td>
<td>6:30pm-9:15pm</td>
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<td>No Class</td>
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<tr>
<td>20-Mar</td>
<td>6:30pm-9:15pm</td>
<td>Quiz 9</td>
<td>Ch. 21</td>
<td>HW9 Due</td>
<td>Case Study 1 Due</td>
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<tr>
<td>27-Mar</td>
<td>6:30pm-9:15pm</td>
<td>Quiz 10</td>
<td>Ch. 22</td>
<td>HW10 Due</td>
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<tr>
<td>3-Apr</td>
<td>6:30pm-9:15pm</td>
<td>Quiz 11</td>
<td>Ch. 23 24</td>
<td>HW11 Due</td>
<td></td>
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<tr>
<td>10-Apr</td>
<td>6:30pm-9:15pm</td>
<td></td>
<td>No Class</td>
<td></td>
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<td>17-Apr</td>
<td>6:30pm-9:15pm</td>
<td>Quiz 12</td>
<td>Ch. 25 26</td>
<td>HW12 Due</td>
<td>Case Study 2 Due</td>
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<td>24-Apr</td>
<td>6:30pm-9:15pm</td>
<td>Quiz 13</td>
<td>Ch. 26 and Final Review</td>
<td>HW13 Due</td>
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<tr>
<td>8-May</td>
<td>8:00pm-10:30pm</td>
<td></td>
<td>Final Exam</td>
<td>HW14 Due</td>
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</table>
Dear Student,


Financial Theory and Practice (Course Key: E-TWQN52HLPBTCA)

Your instructor would like you to enroll in this course. To do so, use the following steps.


### Already Have an Account?

1. Log in.
   
   a. If you have purchased an access code, submit it in the Have Another Product to Register? box.
   
   b. If you have not purchased an access code, in the Have Another Product to Register? text box, submit the Course Key shown in green above.
      
      i. If "grace period" days remain for the course, you will see an Open button that gives you access to the course.
      
      ii. If "grace period" days do not remain for the course, you will see an invitation to purchase the product that will give you access to the course.

### Don't Already Have an Account?

1. Click "Create an Account."
   
   a. If you have purchased an access code, submit it and follow the prompts until you reach the "My Home" page.
   
   b. If you have not purchased an access code, submit the Course Key shown in green above, and then follow the prompts until you reach the "My Home" page.
      
      i. If "grace period" days remain for the course, you will see an Open button that gives you access to the course.
      
      ii. If "grace period" days do not remain for the course, you will see an invitation to purchase the product that will give you access to the course.

Once you have the product on your "My Home" page, click the "Open" button for CengageNOW.

If in the steps above you do not provide Course Key, provide it once you reach CengageNOW, on the "Courses" tab.

E-TWQN52HLPBTCA

If you have any difficulties please contact Customer Support at www.cengage.com/support.