Financial Theory & Practice FINN 3226-090
Thursday – 5:30-8:15 PM  
Friday 142 – Fall 2018

Professor: Judson W. Russell, Ph.D., CFA  
Office: Friday Building – 350-C  
Phone: 704-687-7618  
Email: jrussell@uncc.edu

Office hours: Tuesday/Thursday: 1:00PM – 2:00PM  
I encourage you to meet with me, by appointment, to discuss the course.


Course Description
The course deals with modern finance theory and its applications to corporate finance. The course will cover equilibrium asset pricing models, efficient markets hypothesis, risk analysis and real options theory in corporate decision-making. The topics of informational asymmetry, optimal corporate structure and dividend policies will also be investigated in detail. Agency conflicts and their impact on corporate performance, financial restructuring and leasing policies will conclude the set of issues to be analyzed.

Course Objectives
The objectives of the course are to ensure that all students have a mastery of the elements of corporate finance and are able to utilize the discussed theories and models to evaluate stocks, bonds, leases and to assess risk in the corporation. Students will be expected to measure cost of capital, make optimal capital budgeting decisions and to determine the best dividend policies and capital structures. They will also be expected to be able to assess agency costs and formulate plans for restructuring, if capital structures are incompatible with the objectives and resources of the firm.

You will be graded solely on in-class exams. You will be awarded a grade based on your performance on exams.

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<tr>
<th>I follow a scale of:</th>
<th>90-100 A</th>
<th>60-69 D</th>
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<tbody>
<tr>
<td></td>
<td>80-89</td>
<td>0-59 F</td>
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<tr>
<td></td>
<td>70-79</td>
<td>C</td>
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<table>
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<tr>
<th>Regular Exams (3 @ 100 points each)</th>
<th>300 points</th>
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<tr>
<td>Final Exam (100 points)</td>
<td>100 points</td>
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<td>Total</td>
<td>400 points</td>
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Absences from Examinations.
There will be no makeup or early examinations of any sort. The Final Examination must be taken at the scheduled date and time. If you cannot take the Final Examination for medical reasons, you will be awarded an “I” and can complete the course requirements
the following semester. If you miss a midterm examination, you will receive a grade of zero on that exam. If you miss two midterm examinations you will be assigned an “F” for this course.

Assignments and Lectures
The principal method of instruction will be primarily by means of lectures. Students will be expected to actively participate in classroom discussions and the solving of problems. You should be prepared for class by reading the assigned chapters, before the class meets. Solving problems, reading the textbook and participating in classroom discussions are ways in which you can work to improve your understanding of the course material.

Students are expected to have a single, good non-programmable financial calculator to assist them in solving assigned problems. Make sure that you know how to use your calculator as calculator use is your responsibility. Since corporate finance is a dynamic and constantly changing area students are expected to keep abreast of current events in financial markets. This can be achieved by reading the Wall Street Journal, Business Week or Economist, which are all good sources for current information.

Academic Integrity
Students are advised to apprise themselves of, and adhere to the rules specified in the UNC-Charlotte code of student integrity regulations, which will be strictly enforced in this class.

Diversity Statement
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.

Disability Accommodations
UNC Charlotte is committed to access to education. If you have a disability and need academic accommodations, please provide a letter of accommodation from Disability Services early in the semester. For more information on accommodations, contact the Office of Disability Services at 704-687-0040 or visit their office in Fretwell 230.

Typical Class Schedule

Headline Events, Administrative Issues – 10 minutes
Re-cap previous lecture and problem review – 10 minutes
Lecture – 45 minutes
Problem assignment and dismiss – 10 minutes
GENERAL COURSE OUTLINE & TOPICS OF DISCUSSION

Exam 1 – Thursday, 13 September, 5:30-8:15 PM
Overview of Financial Management Chapter 1
Accounting for Financial Management Chapter 6
Analysis of Financial Statements Chapter 7

Exam 2 – Thursday, 11 October, 5:30-8:15 PM
Corporate Valuation and Financial Planning Chapter 9
Determining the Cost of Capital Chapter 11
Capital Budgeting: Decision Criteria Chapter 12

Exam 3 – Thursday, 8 November, 5:30-8:15 PM
Capital Structure Decision Chapter 16
Dynamic Capital Structure and Corporate Valuation Chapter 17

Final Exam – Thursday, 13 December, 5:00-7:30 PM
Comprehensive (Chapters 1, 8-13, 15-16)
Distributions to Shareholders: Dividends & Repurchases Chapter 15
Enterprise Risk Management Chapter 24

(Chapters included on each exam as shown are approximate.)

Important Dates:

Last day to withdraw from class with W is October 22
Thanksgiving Break: November 21-24
Reading Day: December 6
Final Exam: December 13