## Finance Theory and Practice (FIN 4414-2156)

R. Daniel Pace, University of West Florida, Spring 2012

<table>
<thead>
<tr>
<th>January</th>
<th>Week</th>
<th>Topics</th>
<th>Chapters and Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>M T W Th F</td>
<td>11</td>
<td>1 Intro</td>
<td>5 The Tradeoff Between Risk and Return.</td>
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<td>MLK</td>
<td>18 2 5 Risk, Return, and the Capital Asset Pricing Model.</td>
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<td>25</td>
<td>3 6 18 Options Basics.</td>
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<td></td>
<td>4</td>
<td>6 19 Black and Scholes and Beyond.</td>
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<td>February</td>
<td>1</td>
<td>4 18 7 Capital Budgeting Processes and Techniques.</td>
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<td>8</td>
<td>5 19 8 Cash Flow and Capital Budgeting.</td>
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<td>6 7 9 Cost of Capital and Project Risk.</td>
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<td>22</td>
<td>7 8 10 Market Efficiency and Behavioral Finance.</td>
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<td>29</td>
<td>8 9 11 An Overview of Long-Term Financing.</td>
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<tr>
<td>March</td>
<td>7</td>
<td>8 12 Capital Structure: Theory and Taxes.</td>
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<td>14</td>
<td>9 Test 1 13 Capital Structure: Balancing Benefits/Costs of Debt.</td>
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<td>19 21</td>
<td>Spring Break 14 The Link Between Capital Structure and Capital Bdgt.</td>
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<tr>
<td>April</td>
<td>28</td>
<td>10 10 Internet-Only Chapters (Required)</td>
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<td>11 11,12 21 Strategic and Operational Financial Planning.</td>
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<td>12 13 22 Cash Conversion, Inventory, and Receivables Mngt.</td>
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<td>18</td>
<td>13 14 23 Liquidity Management.</td>
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<td>25</td>
<td>14 15 Internet-Only Chapters (Bonus)</td>
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<td>May</td>
<td>15</td>
<td>2 Financial Statement and Cash Flow Analysis.</td>
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<td>Final Exam 3 The Time Value of Money.</td>
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<td>16 4 Valuation.</td>
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### Contacting Professor Pace

Email dpace@uwf.edu  
Cell 516-4999

### Office Hours

8:00-10:00 Mondays, Wednesdays & by appointment

### Grading

10 point scale, +/-  
Two Exams each 30%; Aplia 40%

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*Corporate Finance, 3rd*, by Graham, Smart, & Megginson  
See syllabus, “Textbook Options”
Course Description
Finance 4414 is an extension of Managerial Finance (FIN3403). Topics such as risk and return, stock and bond valuation, time value of money, and capital budgeting, will be covered in greater depth.

Contact Information
Office Building 76, Room 225
Phone 516-4999 (Cell phone)¹
474-3201 (Office)
474-2717 (Departmental office)
E-mail dpace@uwf.edu

Office Hours
8:00-10:00 a.m. Monday and Wednesdays, and by appointment

No office hours during holidays or final exams. During office hours I may be in my office, the tax library, or SAIL.

Prerequisites
Finance 3403

Text
Corporate Finance, Linking Theory to What Companies Do, 3rd edition, Graham, Smart, Megginson. Note that Aplia also includes digital rights for the text through the term.

Special technology used by students
A financial calculator is required. Students may choose either a Hewlett-Packard HP10B2 or a Texas Instruments BAII Plus.

Student Learning Outcomes
1. Understand how financial assets are used to control risk.
2. Analyze real financial data in the context of modern financial theory.
3. Analyze capital projects.
4. Discuss capital structure and dividend theories.
5. Understand that finance is a young discipline rather than a vocation.

Grade calculation
Test 1 30 percent
Test 2 30 percent
Aplia 40 percent

¹ Please use your common sense and courtesy. If the evil Florida Gators are, by some quirk of fate, unfairly ahead of Florida State during a sporting event, I do not need a call to confirm this travesty—bad evil gators.
Grading scale
The grading scale is a 10-point, +/- scale; C- grades are not awarded.

<table>
<thead>
<tr>
<th>Class Average</th>
<th>Letter Grade</th>
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<tbody>
<tr>
<td>≥ 92</td>
<td>A</td>
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<tr>
<td>90 ≥ 92</td>
<td>A-</td>
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<tr>
<td>87 ≥ 90</td>
<td>B+</td>
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<tr>
<td>82 ≥ 87</td>
<td>B</td>
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<tr>
<td>80 ≥ 82</td>
<td>B-</td>
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<tr>
<td>77 ≥ 80</td>
<td>C+</td>
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<tr>
<td>70 ≥ 72</td>
<td>C</td>
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<tr>
<td>60 ≥ 70</td>
<td>D</td>
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<td>≤ 60</td>
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How to access your Aplia course

Finance Theory and Practice, Spring 2012, Fin 4414

Instructor: Daniel Pace  
Start Date: 01/08/2012  
Course Key: UC7C-3XWB-QVS5

Registration
Aplia is part of CengageBrain, which allows you to sign in to a single site to access your Cengage materials and courses.

1. Connect to http://login.cengagebrain.com/
2. If you already have an account, sign in. From your Dashboard, enter your course key (UC7C-3XWB-QVS5) in the box provided, and click the Register button.
   If you don't have an account, click the Create a New Account button, and enter your course key when prompted: UC7C-3XWB-QVS5. Continue to follow the on-screen instructions.

Payment

Online: Purchase access to your course (including the digital textbook) from the CengageBrain website.

Bookstore: Purchase access to Aplia from your bookstore. Check with the bookstore to find out what they offer for your course.

After paying, you will have the option to purchase a physical book at a discounted price. If you choose to pay later, you can use Aplia without paying until 11:59 PM on 01/28/2012.
Hurricane Policy
Unlike the university, if either Pensacola or Fort Walton Beach falls under a hurricane watch, class is canceled.²

Calculators and cell phones
Following the lead of the CFA Institute I have largely adopted their positions concerning cell phones and calculators:

... 
CFA Institute is concerned not only for the distraction posed by ringing telephones, but also for the potential for cheating. With camera and text messaging capabilities, cell phones are actively being used by students around the world to take an unfair advantage. Therefore, to ensure a fair and equitable opportunity for all candidates, cell phones are not allowed.

... 
You should practice and become proficient at using any of the specific calculator features needed to address the learning outcome statements (LOS) in the curriculum. Examples include, but are not limited to, present and future values, annuity payments, square roots, and exponents. You should also know how to use general features of your chosen calculator, such as changing the number of decimal places displayed.

... 
Many calculators have text-storing capabilities. Students could bring text stored in the calculator into the testing room, creating an unfair situation. Both of the models approved for use are available for sale worldwide and are relatively inexpensive. The policy was developed to create a level playing field for all students.

The approved calculators are: Texas Instruments BAII Plus; Hewlett Packard 10BII.

Calculator covers are permitted in the testing room. The Texas Instruments BAII Plus cover contains a keystroke card; Students may refer to these keystroke instructions; however, you may not write notes or formulas on the calculator covers. The HP calculator is intuitive and does not require a keystroke card.

... 
During an exam, the CFA considers possession of a cell phone as cheating. During class my expectation is that cell phones are turned off (not merely silenced).

Special Needs Assistance
Students with special needs must inform the instructor within the first week of the course term of any personal circumstances that may require special consideration in meeting course requirements or adhering to course policies. Students with special needs who require specific examination-related or other course-related accommodations should contact Barbara Fitzpatrick, Director of Student Disability Resource Center, SDRC@uwf.edu, (850) 474-2387. Student Disability Resource Center will provide the student with a letter for the instructor that will specify any recommended accommodations.

Withdraw Deadline
Refer to your academic calendar for withdraw deadlines and financial consequences. Discuss any academic concerns with me prior to withdrawing. Withdraws after the

² Hurricane watch and warning defined: Watch; hurricane conditions are possible in the specified area of the watch, usually within 36 hours; Warning; hurricane conditions are expected in the specified area of the warning, usually within 24 hours.
 deadline will not be approved except for:

1. A death in the immediate family.
2. Serious illness of the student or an immediate family member.
3. A situation deemed similar to categories 1 and 2 by all in the approval process.
4. Withdrawal due to Military Service (Florida Statute 1004.07)
5. National Guard Troops Ordered into Active Service (Florida Statute 250.482)

Students who do not officially withdraw will be assigned a standard letter grade. Late withdraws must be approved by the students advisor, instructor of the course, department chairperson, and finally, the University Academic Appeals Committee. Students who withdraw are not enrolled as of the date the withdrawal is processed.

**Expectations for Academic Conduct**

As members of the University of West Florida academic community, we commit ourselves to honesty. As we strive for excellence in performance, integrity–both personal and institutional–is our most precious asset. Honesty in our academic work is vital, and we will not knowingly act in ways which erode that integrity. Accordingly, we pledge not to cheat, nor to tolerate cheating, nor to plagiarize the work of others. We pledge to share community resources in ways that are responsible and that comply with established policies of fairness. Cooperation and competition are means to high achievement and are encouraged. Indeed, cooperation is expected unless our directive is to individual performance. We will compete constructively and professionally for the purpose of stimulating high performance and standards. Finally, we accept adherence to this set of expectations for academic conduct as a condition of membership in the UWF academic community.

**Professor Pace’s short version, “I do not cheat or tolerate those who do.”**

If you are unsure as to what is appropriate help on an assignment, contact Professor Pace.

**The Student Code of Conduct**

The Student Code of Conduct sets forth the rules, regulations and expected behavior of students enrolled at the University of West Florida. Violations of any rules, regulations, or behavioral expectations may result in a charge of violating the Student Code of Conduct. It is the student’s responsibility to read the Student Code of Conduct and conduct themselves accordingly. You may access the current Student Code of Conduct at http://www.uwf.edu/judicialaffairs.

**Test for Online Classes**

In accordance with UWF’s Proctoring Policy for Exams in Online Courses, students have the following options for exams:

1. The faculty member proctors his/her exam (you come to campus during the scheduled exam times);

   On test dates free proctoring is scheduled for 8:30 pm to 10:30 pm Building 52 room 152.

2. The faculty member requires suitable proctoring for the exams in accordance with the UWF’s exam proctoring protocol for online courses:

   http://onlinecampus.uwf.edu/class/proc_exams.cfm (proctor form posted on Aplia);

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3 Entire document posted on Aplia
3. The faculty member allows students to utilize the UWF Testing Center, subject to the following constraints:
   i. Primarily: 8:00 a.m. – 5:00 p.m., M-F; options possible.
   ii. $25.00 regardless of time limit of exam (for complete instruction see http://uwf.edu/testing/)