

**THE UNIVERSITY OF TEXAS AT EL PASO**

Department of Economics and Finance

Dr. Faith Xie

Professor of Finance

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**FIN 4310 (CRN 11854) Managerial Finance**

**Fall 2022**

**Class Hours:** 9:00 am -10:20 am Tuesdays & Thursdays, BUSN 302  
**Office Hours:** 10:30 am -12:00 am Tuesdays & Thursdays, and by appointment  
**Textbook:** *Corporate Finance*, 13<sup>th</sup> Edition, by Ross, Westerfield, Jaffe, and Jordan  
 McGraw-Hill Irwin.  
**Teaching Assistant:** Obed N Buadi, email: [onbuadi@miners.utep.edu](mailto:onbuadi@miners.utep.edu)

**Prerequisites:**

1. FIN 3310 (Business Finance).
2. A financial calculator, such as TI BA II Plus or equivalent, is highly recommended. Your calculator should be able to compute the NPV and the IRR of an uneven stream of cash flows.

**Course Description:**

A study of the financial manager in decision making involving asset valuation, capital budgeting and financing, and practices in business enterprises. Particular emphasis is given to illustrative problems and cases.

**Course Objective:**

Upon successful completion of the course, students should be able to

1. understand and apply financial planning models,
2. understand and apply the capital budgeting process,
3. understand and apply the capital structure process,
4. understand and apply modern financial theory to security and corporate valuation.

**Grade Components:**

| Component                         | Weight   |
|-----------------------------------|----------|
| Nine (9) Homework Assignments     | 10%      |
| Three (3) Excel-based Projects    | 22%      |
| • Project 1                       | (6%)     |
| • Project 2 with a written report | (10%)    |
| • Project 3                       | (6%)     |
| Four (4) Exams (17% each)         | 68%      |
| Final Exam                        | optional |
| Total                             | 100%     |

*Homework:* Homework assignments will be collected via Blackboard. Late submissions will **NOT** be accepted under ANY circumstance.

*Excel Projects:* The completed Excel projects will be collected via Blackboard. Late submissions will **NOT** be accepted under ANY circumstance. Refer to the file labeled *Instructions for Excel Projects* on course Blackboard for details.

*Exams:* All students must take the four (4) exams at the scheduled time that will be announced in class. Make-up exams will be given to students who have “**excused absences due to university-recognized activities**”. See the student handbook for a description of these activities. These students must send written notice to the instructor about such absences.

Note: 1) While the average weight on an exam is 17%, the highest exam grade will weigh 19%, and the lowest exam grade will weigh 15%, with the remaining two exams weighing 17% each in the calculation of the final course grade.

2) If you have to miss an exam due to anything other than "the university-recognized activities", you can make it up by taking the optional final exam.

3) If you take all five exams (the first four exams plus the final), the one with the lowest grade will be dropped from the course grade calculation.

### **Email Policy of the Economics and Finance Department:**

The department's policy is that all emails sent to professors or teaching assistants are professional of nature. A formal greeting and salutation are required. Proper grammar, spelling, and format are required. You must clearly state the problem or question to be addressed. **On the email's subject line, you must identify the course number/CRN involved.** We reserve the right not to respond to any email that does not meet these requirements and is not professional.

### **Students with Disabilities:**

If you feel you may have a disability that requires accommodations, contact the Center for Accommodations and Support Services at 747-5148, go to the Union Building East Room 106, email [cass@utep.edu](mailto:cass@utep.edu), or go to CASS AIM portal to request accommodations online at [cassportal.utep.edu](http://cassportal.utep.edu).

### **Withdrawal Policy:**

A student may withdraw from this class with an automatic W at any time BEFORE **October 28, 2022**. The instructor will NOT make automatic withdrawals. To be withdrawn from the course, students must take the appropriate actions on or before the university deadline.

### **Academic Honesty:**

Academic honesty is paramount to the existence of academic integrity in a course. During the taking of exams, no student in this course is to receive or give assistance to any other student in this course, nor should assistance through the use of unauthorized materials be used by anyone. In fulfilling other course requirements, work submitted by any student, or any assigned group of students in the case of group projects, must be the original work of that student or group, with appropriate credit given when other sources are used.

Section 1.3.1 of UTEPs *Handbook of Operating Procedures* provides the basis for the academic administration of charges of scholastic dishonesty. The *Handbook* states: “Any student who commits an act of scholastic dishonesty is subject to discipline. Scholastic dishonesty includes, but is not limited to cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts. Disciplinary proceedings may be initiated against any student for any of the following acts or omissions:

**1.3.1.1** "cheating" includes:

a. copying from the test paper of another student, engaging in written, oral, or any other means of communication with another student during a test, or giving aid to or seeking aid from another student during a test;

b. possession and/or use during a test of materials which are not authorized by the person giving the test, such as class notes, books, or specifically designed "crib notes";

c. using, obtaining, or attempting to obtain by any means the whole or any part of non-administered test, test key, homework solution, or computer program, or using a test that has been administered in prior classes or semesters, but which will be used again either in whole or in part without permission of the instructor; or accessing a test bank without instructor permission;

d. substituting for another person, or permitting another person to substitute for one's self, to take a test; and

e. falsifying research data, laboratory reports, and/or other records or academic work offered for credit;

**1.3.1.2** "plagiarism" means the appropriation, buying, receiving as a gift, or obtaining by any means another's work and the unacknowledged submission or incorporation of it in one's own academic work offered for credit, or using work in a paper or assignment for which the student had received credit in another course without direct permission of all involved instructors.

**1.3.1.3** "collusion" means the unauthorized collaboration with another person in preparing academic assignments offered for credit or collaboration with another person to commit a violation of any provision of the rules on scholastic dishonesty."

### **Campus Carry:**

The University of Texas System Board of Regents has approved UTEP's Campus Carry Policy recommendations which take effect on August 1, 2016. Open carry remains prohibited on campus. Should you feel someone is intentionally displaying a gun (or any other weapon for that matter), do not hesitate to call Campus Police (X-5611) or 9-1-1. For more information on campus carry, please go to <https://www.utep.edu/campuscarry>.

### **COVID-19 Statement:**

If you have tested positive for COVID-19, please report your results to [covidaction@utep.edu](mailto:covidaction@utep.edu) so that the Dean of Students Office can provide you with support and help with communication with your professors. It is important to follow all instructions you receive.

If you experience COVID-19 symptoms ([Symptoms of COVID-19 | CDC](#)), please follow the isolation protocol by staying home and getting tested as soon as possible. If the test is negative, but you still seek accommodations, please promptly contact the Dean of Students Office for guidance. Your instructor will work with the Dean of Students Office to determine the extent of such accommodations.

We strongly encourage you to think and act proactively regarding COVID-19 and your academic endeavors. The Center for Disease Control and Prevention recommends that people in areas of substantial or high COVID-19 transmission wear face masks indoors in groups of people. The best way that Miners can take care of Miners is to get the vaccine. For more information about the current rates, testing, and vaccinations, please visit [epstrong.org](http://epstrong.org).

**Tentative Course Outline**

| <b>Week</b>                   | <b>Topics</b>   | <b>Assignments</b>   |
|-------------------------------|---|--|
| <b>W1</b><br>8/23, 25         | Introduction and Course Overview<br>Ch3 Financial Statements Analysis and Financial Model       | <b>HW1</b> Ch3 Pg. 76:<br>1 to 8,19,20   |
| <b>W2</b><br>8/30, 9/1        | 8/30: Ch4 Discounted Cash Flow Valuation<br><b>9/1: Lab session: Meet in Tacc Labs 2 and 3.</b> |  |
| <b>W3</b><br>9/6, 8           | Ch4 Discounted Cash Flow Valuation  | <b>HW2*</b> Ch4 Pg.122: 7,9,<br>11,13, 14,17,23,25, 27, 28,<br>52,57,58                    |
| <b>W4</b><br>9/13, 15         | Catch-up and Review<br><b>Exam 1 (Chs 3, 4)</b>   |  |
| <b>W5</b><br>9/20, 22         | Ch5 NPV and Other Investment Rules  | <b>HW3</b> Ch5, Pg. 160: 1,3,6,8,<br>12,14(a-c),16(a-c)<br><b>Excel Project 1 due 9/25</b> |
| <b>W6</b><br>9/27, 29         | Ch6 Making Capital Investment Decisions   | <b>HW4</b> Ch6, Pg. 195:<br>3,4,8,9,10,12,34   |
| <b>W7</b><br>10/4, 6          | Ch7 Risk Analysis and Capital Budgeting   | <b>HW5</b> Ch7, Pg. 226:<br>1,2,4,9,12,13  |
| <b>W8</b><br>10/11, 13        | Catch up and Review<br><b>10/13 Lab session: Meet in Tacc Labs 2 and 3.</b>                     |  |
| <b>W9</b><br><b>10/18, 20</b> | <b>Exam 2 (Chs 5, 6, 7)</b><br>Ch8 Interest Rates and Bond Valuation                            |  |
| <b>W10</b><br>10/25, 27       | Ch9 Stock and Firm Valuation  | <b>HW6</b> Ch9, Pg.293:<br>1,4,5,8,10,12,17,31   |
| <b>(October 28)</b>           | <b>(Course Drop Deadline)</b>   | <b>Project 2 with written<br/>report due 10/30</b>   |
| <b>W11</b><br>11/1, 3         | Ch13 Cost of Capital: the WACC  | <b>HW7</b> Ch13, Pg. 423:<br>1 to 5, 8,9,11,12,17  |
| <b>W12</b><br>(11/8, 10)      | Catch up and Review<br><b>Exam 3 (Chs 8, 9, 13)</b>   |  |
| <b>W13</b><br>(11/15, 17)     | Ch16 Capital Structure: Basic Concepts  | <b>HW8</b> Ch16, Pg. 516: 1,3,4,<br>6(a, b), 10 to 15<br><br><b>Project 3 due 11/20</b>    |
| <b>W14</b><br>(11/22, 24)     | Ch19 Dividends and Other Payouts<br><b>11/24: NO CLASS</b>                                      | <b>HW9</b> Ch19, Pg. 611:<br>2,3,4,8.  |
| <b>W15</b><br>(11/29, 12/1)   | Catch up<br><b>Exam 4 (Chs16, 19)</b>   |  |
| <b>W16</b><br>(12/6)          | <b>Final exam</b><br><b>Tuesday 10:00am-12:45pm</b>   | <b>Chs. 4,5,9,13,19</b><br><b>(30 multiple-choices<br/>questions)</b>                      |

The above is the tentative syllabus. The instructor reserves the right to change the syllabus during the semester. \*HW2 counts twice.