



INTRODUCTION TO FINANCE

FINANCE 300 FALL 2022

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Office Hours: Mondays and Wednesdays 12:00 – 2:00 and by appointment

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Office Hours: Tuesdays and Thursdays 1:00 – 3:00 and by appointment

Time and Location:

Section 003 MW 2:30 to 3:45 Grainger 2120
Section 004 MW 4:00 to 5:15 Grainger 2120

Instructional Modality: In-Person

Canvas Site: <http://canvas.wisc.edu>

Course Description: This course provides an introduction to the major concepts in financial management. Topics include value creation, financial markets, financial statements and analysis, time value of money, asset valuation, bonds, stocks, capital budgeting, cost of capital, capital structure and international. Students will also learn to use EXCEL to solve financial problems.

Course Learning Outcomes:

1. Students will apply discounted cash flow analysis in various contexts and determine the appropriate discount rate for these calculations.
2. Students will calculate and interpret the effect of leverage on firms' cost of debt, cost of equity, and a company's cost of capital under different assumptions.
3. Students will characterize an efficient market and explain the implications of market efficiency for investors and corporations.
4. Students will characterize different types of securities (including stocks, bonds, and derivatives) and identify the key features of each.
5. Students will compute present and future values under different compounding assumptions.

6. Students will demonstrate a command of the Capital Asset Pricing Model, including its strengths and weaknesses and its use in computing expected returns.
7. Students will demonstrate the power of diversification and the risk-return tradeoff quantitatively.
8. Students will solve capital budgeting problems using appropriate decision rules, taking into account the strengths and weaknesses of the available approaches.

Credits: This is a 3 credit course. Outside of the two lectures per week (1hr. 15 mins. each) and the discussion session (50 mins.) you should expect no less than 6 hours of out-of-class work per week.

Requisites:

([ECON 101](#), [111](#), or [A A E 215](#)) and ([ACCT I S 100](#) or [300](#) or concurrent enrollment in [ACCT I S 100](#)) and ([GEN BUS 306](#), [ECON 310](#), [STAT/MATH 309](#), [431](#), STAT 224, [301](#), [302](#), [309](#), [311](#), [324](#), [371](#), or [PSYCH 210](#), or concurrent enrollment); or Business Exchange student

Opportunities for Interaction: Expect regular, substantive student-instructor/TA interaction in this course. This interaction will occur through regular in class lectures, discussions sessions, office hours, and the Business Badger Study Cooperative. We strongly encourage you to take full advantage of these opportunities to interact with us.

In Class Lectures: All lectures take place on Mondays and Wednesdays.

003	2:30 to 3:45	Grainger 2120
004	4:00 to 5:15	Grainger 2120

Discussion Sessions: All discussion sessions take place on Fridays. Attendance is not required, but it is strongly encouraged. The teaching assistants will lead the discussion sections. The main purpose of these sessions is to allow students to ask questions about the material covered in lecture and go over additional problems.

308	8:50 to 9:40	Grainger 1195	Hendrik Lindeque
309	2:25 to 3:15	Grainger 1195	Hendrik Lindeque
310	9:55 to 10:45	Grainger 1195	Hendrik Lindeque
311	1:20 to 2:10	Grainger 1195	Hendrik Lindeque

Office Hours: Instructor and TA office hours are listed above. I strongly encourage you to take advantage of this resource.

Business Badger Study Cooperative (BBSC): The Business Badger Study Cooperative provides academic support and tutoring resources in core business courses such as accounting, economics, finance, psychology, calculus, operations and technology management, and business analytics. The Study Cooperative provides small group tutoring, study group coordination, and individual study space, as well as opportunities for advanced students to both shape the learning environment and to deepen and refresh their understanding. BBA students are encouraged to make the Study Cooperative part of their regular routine, no registration required.

Hours: 4-6 p.m. Monday through Thursday

Location: Second floor of the Learning Commons

Contact: Gwen.Eudey@wisc.edu

Required Textbook, Software & Other Course Materials:

- Fundamentals of Corporate Finance, 2022, 13th Ed., by Ross, Westerfield and Jordan.
This eText is available from McGraw Hill Connect in your Canvas course page (no need to purchase text from bookstore or online). If you opt out of the program, you will need to get version of the text with a Connect access key.
- Microsoft Excel (required) and Financial calculator (recommended)
For the exams, you will be able to use Excel and/or an approved calculator. Acceptable financial calculators: Texas Instruments BAIIPlus and the Hewlett Packard 10bII+. Other calculators need to be non-programmable and approved by the instructor.
- Honorlock system requirements: For academic integrity considerations, students will be proctored during the exams by Honorlock, an online proctoring service. As such, you must meet the system requirements. Please see the FAQ here for details:
<https://honorlock.kb.help-students-starting-exam/honorlock-student-faq/>.

Grading:

Goal – A fair, consistent and transparent grading framework that allows differences in course achievement to be reflected in different course grades.

Assessment Weights:

End of Chapter Homework Problems	20%
Exam 1	20%
Exam 2	20%
Exam 3	20%
Final Exam	20% (The final exam is comprehensive!)

Grading Scale:

A	93% - 100%
AB	88% - 92%
B	83% - 87%
BC	78% - 82%
C	70% - 77%
D	60% - 69%
F	Below 60%

- Students must hit threshold to earn grade (example: must hit 83.0% to get B, not 82.9%)
- If the overall grades are lower than my expectations, I MAY curve the results upward
- No extra credit
- The target mean GPA established by the WSB for FIN 300 is 3.0 (B). Regardless of targets, every student will receive the grade they earn.

Graded Content:

Exams: All exams will be online via Canvas using the Honorlock proctoring system. Taking exams while using Honorlock is a non-negotiable course requirement.

I will post detailed exam and Honorlock instructions in our Canvas modules before each exam.

There is a major limitation to Honorlock proctored exams. It is not possible to provide you with a secure online review of your exam after you submit it. It is an unfortunate technological constraint.

Exam Dates and Times:

Exam 1: Opens at 6:00am October 4 and closes at midnight

Exam 2: Opens at 6:00am November 4 and closes at midnight

Exam 3: Opens at 6:00am December 2 and closes at midnight

Final Exam: Opens at 6:00am December 19 and closes December 21 at midnight

The first three exams are not cumulative per se, but an understanding of previous materials is essential. The final exam is cumulative / comprehensive. The exams will be closed book/notes. An Excel spreadsheet and “formula” sheet will be provided. An approved calculator can be used.

Exam Conflicts: If you have a UW approved conflict (for which you have documentation) notify us as soon as possible. Given you provide sufficient documentation, we will make arrangements for a makeup exam. Students may never take exams early (unless due to disability accommodations).

Homework: There will be end of chapter homework assignments to complete throughout the semester. The problems will be assigned through McGraw – Hill Connect in Canvas. The due dates will be set in the related Canvas module. **Late homework assignments will NOT be accepted!**

Teaching & Learning Data Transparency Statement:

The privacy and security of faculty, staff and students’ personal information is a top priority for UW-Madison. The university carefully evaluates and vets all campus-supported digital tools used to support teaching and learning, to help support success through [learning analytics](#), and to enable proctoring capabilities. View the university’s full [teaching and learning data transparency statement](#).

Privacy of Student Records & the Use of Audio Recorded Lectures Statement:

Lecture materials and recordings for this course are protected intellectual property at UW-Madison. Students in this course may use the materials and recordings for their personal use related to participation in this class. Students may also take notes solely for their personal use. If

a lecture is not already recorded, you are not authorized to record my lectures without my permission unless you are considered by the university to be a qualified student with a disability who has an approved accommodation that includes recording. [Regent Policy Document 4-1] Students may not copy or have lecture materials and recordings outside of class, including posting on internet sites or selling to commercial entities, with the exception of sharing copies of your personal notes as a notetaker through the McBurney Disability Resource Center. Students are otherwise prohibited from providing or selling their personal notes to anyone else or being paid for taking notes by any person or commercial firm without the instructor's express written permission. Unauthorized use of these copyrighted lecture materials and recordings constitutes copyright infringement and may be addressed under the university's policies, UWS Chapters 14 and 17, governing student academic and non-academic misconduct.

How to Succeed in This Course:

Successful student actions:

- 1) Attend and understand lectures
- 2) Work and understand homework assignments
- 3) Get help if you fall behind or do not understand any concepts!

Course Evaluations:

Students will be provided with an opportunity to evaluate this course and your learning experience. Student participation is an integral component of this course, and your confidential feedback is important to me. I strongly encourage you to participate in the course evaluation.

Students' Rules, [Rights & Responsibilities](#) (*link to university's privacy rights (FERPA)*).

Diversity & Inclusion Statement:

[Diversity](#) is a source of strength, creativity, and innovation for UW-Madison. We value the contributions of each person and respect the profound ways their identity, culture, background, experience, status, abilities, and opinion enrich the university community. We commit ourselves to the pursuit of excellence in teaching, research, outreach, and diversity as inextricably linked goals. The University of Wisconsin-Madison fulfills its public mission by creating a welcoming and inclusive community for people from every background – people who as students, faculty, and staff serve Wisconsin and the world.

Academic Integrity Statement:

By virtue of enrollment, each student agrees to uphold the high academic standards of the University of Wisconsin-Madison; academic misconduct is behavior that negatively impacts the integrity of the institution. Cheating, fabrication, plagiarism, unauthorized collaboration, and helping others commit these previously listed acts are examples of misconduct which may result in disciplinary action. Examples of disciplinary action include, but is not limited to, failure on the assignment/course, written reprimand, disciplinary probation, suspension, or expulsion.

Accommodations for Students with Disabilities Statement:

The University of Wisconsin-Madison supports the right of all enrolled students to a full and equal educational opportunity. The Americans with Disabilities Act (ADA), Wisconsin State Statute (36.12), and UW-Madison policy ([UW-855](#)) require the university to provide reasonable accommodations to students with disabilities to access and participate in its academic programs

and educational services. Faculty and students share responsibility in the accommodation process. Students are expected to inform faculty [me] of their need for instructional accommodations during the beginning of the semester, or as soon as possible after being approved for accommodations. Faculty, will work either directly with the student or in coordination with the McBurney Center to provide reasonable instructional and course-related accommodations. Disability information, including instructional accommodations as part of a student's educational record, is confidential and protected under FERPA. (See: [McBurney Disability Resource Center](#))

Campus Health and Safety Guidelines:

Students should consult the following website for current health and safety guidance: covidresponse.wisc.edu.

Course Outline: (see Canvas modules for specific dates)

- Module 1 Introduction / Value Creation / Financial Statement Review
- Module 2 Cash Flows
- Module 3 Time Value of Money
- EXAM 1**
- Module 4 Interest Rates and Bond Valuation
- Module 5 Stock Valuation
- Module 6 Net Present Value / Internal Rate of Return / Investment Decision Tools
- EXAM 2**
- Module 7 Capital Budgeting Cash Flows
- Module 8 Risk and Return
- Module 9 Cost of Capital
- EXAM 3**
- Module 10 Capital Structure
- Module 11 International Finance
- Module 12 Personal Financial Planning
- Module 13 Class Wrap – Up and Review

FINAL EXAM - COMPREHENSIVE