

Finance 5311

General Course Information:

Business Financial Management

Instructor Information:

Dr. J. David Diltz

Telephone Number: 817.272.3837

E-mail: diltz@uta.edu

Important Information:

[UT TeleCampus Student Services](#)

[UT TeleCampus Technical Support](#)

Reading Materials:

Required:

- Principles of Corporate Finance, Ninth Edition, by Brealey, Myers, and Allen, McGraw Hill-Irwin, 2008.
- Solution Manual to Accompany Principles of Corporate Finance, Ninth Edition

Recommended:

- Study Guide to Accompany Principles of Corporate Finance, Ninth Edition

Available at the UTA Bookstore:

400 South Pecan St.

Arlington, TX 76010

817.272.2785

<http://www.uta.bkstr.com>

Prerequisites:

This three-hour course is intended for graduate students seeking an MBA.

Course Description:

Business Financial Management is a graduate-level introduction to the basic tools, techniques, and theories that are necessary in order to make sound decisions about how a modern firm should raise and allocate long-term funds. Topics covered in this course include: time value of money, risk and return, net present value, internal rate of return, project analysis techniques, cost of capital, capital structure, and an introduction to the application of option pricing models in capital investment decision making.

Students will be exposed to several well-known financial models, including the Capital Asset Pricing Model, the Modigliani-Miller Propositions, and the Black-Scholes Option Pricing Model. We will utilize various mathematical, statistical, and numerical techniques, including algebra, infinite series, descriptive statistics, linear regression, and Newton iteration. In addition to the above models and techniques, we will cover the economic concepts of market equilibrium, arbitrage, and risk-neutral hedging.

Course Objectives:

Primary emphasis will be placed on the development of sound intuition that will help the student to make good financial decisions in an increasingly sophisticated, dynamic capital market.

Course Content:

Lectures: Streaming audio lectures are provided in QuickTime format and are designed to clarify and supplement text material. Note: Some clips may have a couple of seconds of silence at the beginning, so don't assume they aren't working.

Notes: Class notes are provided to supplement your readings.

Class Discussion: This forum is a mechanism for you to discuss course materials with me and with one another

Please visit the [system requirements](#) page for links to download plugins required to view lectures and read notes.

Assignments:

You will have two exams and a comprehensive final during the semester.

Exams

Exam I:

- Introduction to Business Financial Management - Chapter 1 and 2
- Time Value of Money - Chapters 3 and 4
- Value of Common Stocks - Chapter 5
- Why Choose Net Present Value - Chapter 6
- Investment Decisions with NPV - Chapter 7

Exam II:

- Risk, Return and Opportunity Cost of Capital - Chapters 8 and 9
- Capital Budgeting - Chapter 10
- Project Analysis - Chapter 11
- Leverage and Firm Value - Chapter 18
- Capital Structure - Chapter 19

Cumulative Final Exam:

All materials covered in Exams I and II, and
Investment and Financing Interactions Chapter 20
Option Valuations Chapters 21, 22
Real Options Chapter 23

Your three exams will be timed, 50 question multiple-choice tests covering the readings and lectures. Exams will include computational problems.

Each exam is listed in its own session. You will have three (3) hours to complete each exam. You will be presented with all of the exam questions at once. Some of the exam questions build on previous answers so be sure to keep your notes handy. You are allowed to use your notes and text for the exams.

The Course Calendar lists when each exam is due. You may take any exam early but must have it completed by the deadline. You may want to take the exam early in case you have technical difficulties that you need your instructor to resolve. Tests not submitted by the deadline will receive a score of zero. Technical reasons are not a sufficient excuse for not completing the course according to the deadlines indicated. Before you take an exam, please check with the class discussion forum for additional testing information.

Exam I	33%
Exam II	33%
Final Exam	34%

A	75-100%
B	50-74%
C	Less than 50%

Required Additional Course Information:

Please view this important [Additional Course Information](#).

You must update your user information in the TeleCampus Information System (TIS). Until you do so, your instructor will not have your email and cannot communicate with you about assignments. It is NOT sufficient to update your email from within the course. TIS is the only way to permanently change your email (or your username or your password). TIS, in turn, will update the information in the course and the Digital Library.

Connect to TIS. Read the page thoroughly and then proceed to Step 3 (Give us your Email address). Go to [TIS](#), login, and update your profile, making sure to include your current email.

Calendar:

EXAM I: Due by 10:00 PM USA Central Time Monday, February 22, 2010

Introduction to Business Financial Management - Chapter 1 and 2

Time Value of Money - Chapters 3 and 4

Value of Common Stocks - Chapter 5

Why Choose Net Present Value - Chapter 6

Investment Decisions with NPV - Chapter 7

EXAM II: Due by 10:00 PM USA Central Time Monday, April 5, 2010

Risk, Return and Opportunity Cost of Capital - Chapters 8 and 9

Capital Budgeting - Chapter 10

Project Analysis - Chapter 11

Leverage and Firm Value - Chapter 18

Capital Structure - Chapter 19

CUMULATIVE FINAL EXAM: Due by 10:00 PM USA Central Time Wednesday, May 12, 2010

All materials covered in Exams I and II, and

Investment and Financing Interactions Chapter 20

Option Valuations Chapters 21 and 22

Real Options Chapter 23