

**Shidler College of Business
University of Hawai'i at Manoa**

**FIN 633: Problems in Business Finance
Fall 2021 Tuesday 6pm-8:45pm**

Instructor: Hua Chen

Zoom Meeting ID: 490 734 7496

Passcode: Shidler

Email: huachen@hawaii.edu

Office hours: Thursday 4:00-5:30pm. This is the dedicated office hour. I am always available during this time period. If this time does not work for you, we can coordinate for another time that is convenient for both of us. Due to COVID-19, we may not be able to meet in person. **Please always email at least one day ahead of time to make an appointment, even if it is during my regular office hour, so I can schedule a Zoom meeting with you.**

Teaching Assistant: Adam Murat Arabaci

Email: arabaci@hawaii.edu

Office hours: Monday 12pm-2pm. Please email to make an appointment.

Course Description:

FIN 633 is one of the core courses in the MSF program. It provides a broad exposure to financial theory, principles, concepts, tools, techniques, practices, and analysis. This course builds on BUS 314 "Business Finance" and brings students' understanding of finance to a higher level. We will discuss key financial decisions made by firms and provide a conceptual framework for the analysis of these decisions. We will focus on how companies invest in real assets, how they raise the money to pay for these investments, and how they set dividend and payout policy. Major topics include: capital budgeting, payout policy, debt policy, market efficiency, working capital management, merge and acquisition, corporate governance.

Objectives:

Upon completion of this course the students will be able to:

- Apply the principles of financial reasoning to business situations
- Assess business problems using time value of money techniques
- Perform quantitative and qualitative analysis of risk and return components
- Demonstrate good understanding of financial markets and instruments
- Apply the basic principles of security analysis
- Perform capital budgeting analysis
- Analyze business problems in capital structure, dividend policy, and cost of capitals

Textbook and other materials

- **Textbook:** *Principles of Corporate Finance*, 13th Edition, By Richard Brealey, Stewart Myers and Franklin Allen
- **IDAP:** We will use the IDAP program which lowers the cost of the textbook to students. When you register for this course, you will be charged for the ebook and online access to Connect on your UH account. You need to register for Connect course materials. Please follow instructions on the last page of this syllabus for Connect registration.
- **Slides and handouts** will be available on Laulima before each class.

Calculator

Please prepare a CFA approved financial calculator for this course (and also for the CFA exam!). There are only two CFA approved calculators

- Texas Instruments BA II Plus (including BA II Plus Professional)
- Hewlett Packard 12C (including the HP 12C Platinum, 12C Platinum 25th anniversary edition, 12C 30th anniversary edition, and HP 12C Prestige)

I strongly suggest you use the Texas Instrument BA II Plus or BA II Plus Professional because this is the one I will be using.

Grading Structure

Attendance/Participation	20%
Homework Assignments	30%
Midterm Exam: October 19 (tentative schedule)	30%
Group Project	20%
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	100%

The following table gives you the cutoff points for the final cumulative grades for this course:

Grade	Cutoff	Grade	Cutoff
A+	97+	C+	77+
A	94+	C	74+
A-	90+	C-	70+
B+	87+	D+	67+
B	84+	D	64+
B-	80+	D-	60+
		F	Below 60

Attendance/Participation

Enrollment in a course presupposes intention to attend the classes regularly. Students who are absent for any reason are responsible for work missed. Students should understand that excessive absences may, at the option of the instructor, jeopardize the grade and/or continuance in the course.

It is also important for students to participate the class. Students are expected to answer questions, make comments, join discussions, and present in class.

Homework

I will assign homework on Connect or post other homework assignments on Lulima. Any homework turned in after the due date and time will be considered late and will be subject to a penalty of a 4% reduction per hour. Homework will NOT be accepted beyond 25 hours after it is due.

Midterm Exam

- If you must miss the midterm exam, you need notify me as soon as possible and provide a documented reason for your absence.
- If your reason is sufficient to warrant absence from the exam, I will direct you to my teaching assistant so you two can coordinate a time for you to take the midterm exam within two days of the original scheduled exam date. No make-up exam will be given outside of this exam make-up window.
- If your reason is not sufficient to warrant absence from the exam, you will be assigned a grade of zero for the midterm exam.

Group Project

A group project will be assigned after the mid-term exam so students will have time to work on it and present at the end of the semester. To make sure that no one free-rides in the group, each one in the group needs to email contribution estimates to me about each member's contribution to the project. In the case a large divergence exists in the contribution estimates in a group, I will take investigations and make final judgements.

Ethical Issues in Finance:

Students will review and discuss Codes of Ethics for financial planners and financial analysts. The importance of the fiduciary role, client confidentiality and the role of an agent will be explored. Students will analyze actual ethical problems that have arisen in financial institutions/markets and hypothetical cases involving ethical issues in a business financial setting.

Academic Dishonesty:

Instances of academic dishonesty, as defined by the University Student Conduct Code (<http://www.hawaii.edu/student/conduct>), will not be tolerated and any instance of academic dishonesty may result in a grade of "F." Further disciplinary sanctions may also be imposed by

the Dean of Students in accordance with the fore-mentioned Student Conduct Code.

Dropping the Class:

For deadlines and information, check www.hawaii.edu/myuh/manoa.

Disability Access:

Students with disabilities are encouraged to contact the KOKUA Program for information and services. Services are confidential and students are not charged for them. Contact KOKUA at 956-7511 (voice/text), kokua@hawaii.edu, or Student Services Center, Room 13.

What have you learned in BUS 314?

Textbook: Berk, DeMarzo, and Harford, *Fundamentals of Corporate Finance*, Pearson/Prentice-Hall, 4rd edition.

Part 1: Introduction

Chapter 1: Corporate Finance and the Financial Manager

Chapter 2: Introduction to Financial Statement Analysis

Part 2: Interest Rates and Valuing Cash Flows

Chapter 3: Time Value of Money: An Introduction

Chapter 4: Time Value of Money: Valuing Cash Flow Streams

Chapter 5: Interest Rates

Chapter 6: Bonds

Chapter 7: Stock Valuation

Part 3: Valuation and the Firm

Chapter 8: Investment Decision Rules

Chapter 9: Fundamental of Capital Budgeting

Chapter 10: Stock Valuation: A Second Look

Part 4: Risk and Return

Chapter 11: Risk and Return in Capital Markets

Chapter 12: Systematic Risk and the Equity Risk Premium

Chapter 13: The Cost of Capital

Part 5: Capital Structure

Chapter 16: Capital Structure

What will you learn in FIN 633? (Tentative, subject to change)

Chapter 10: Project Analysis

Chapter 11: How to Ensure That Projects Truly Have Positive NPVs

Chapter 12: Agency Problem and Investment

Chapter 13: Efficient Markets and Behavioral Finance

Chapter 16: Payout Policy

Chapter 17: Does Debt Policy Matter?

Chapter 18: How Much Should a Corporation Borrow?

Chapter 19: Financing and Valuation

Chapter 29: Financial Planning

Chapter 30: Working Capital Management

Chapter 31: Mergers

Chapter 32: Corporate Restructuring

student registration information

course

FIN 633 Problems in Business Finance

instructor

Hua Chen

section

Fall 2021 Tuesday 6pm

online registration instructions

Go to the following web address and click the "register now" button.

<https://connect.mheducation.com/class/h-chen-fall-2021-tuesday-6pm>

This is a unique address for
Fall 2021 Tuesday 6pm

Having trouble registering?
Get help here: <https://bit.ly/StudentRegistration>