FIN 320F: Foundations of Finance

Course Format: Online, Self-Paced

Course Instructor: Robert Duvic, Ph.D.

Course Credits: 3

Prerequisites: 45 hours of college coursework and one of the following: Accounting 310F; 311 or 311H, and 312 or 312H; or 6 semester hours of accounting coursework.

How This Course Works
This course is online and is self-paced. Exams must be taken in-person at an approved testing center. More information about taking exams is available on the University Extension website.

Students have five months from their date of enrollment in which to complete all coursework. Review the course outline and assignment descriptions carefully. Computer-graded assignments are scored immediately. You can expect to receive feedback on instructor-graded assignments within three business days following submission. This does not include weekends or holidays. Requests for expedited grading will be ignored, so please plan accordingly. During certain times (end of semester, spring break, etc.), instructors may experience higher-than-usual demands on their time and may need additional time for evaluation. Students should reach out to University Extension at uex@austin.utexas.edu with any concerns regarding grading turnaround.

If all other coursework is complete and you have requested the final exam through the course exam manager by your designated completion date, an additional 30 days will be provided for you to study for and take that exam. If the final exam has not been requested by your completion date, you will be dropped from the course.

University Extension strongly advises students to be aware of when they may need a course grade to be recorded on their transcript. It can take up to two weeks after the final exam is complete for a grade to be officially recorded with the Office of the Registrar.

Course Overview
This course develops your ability to use economic decision tools in a market environment. Finance answers two market questions: what is it worth and do the benefits of an action exceed the cost of taking that action? Making good economic decisions involves integrating behavioral, economic, accounting and political information into a qualitative and quantitative decision process. This valuation approach is essential for all market participants, including investors, governments, and non-profits.
Required Materials
The materials for this course (textbook, cases, readings, etc.) have been embedded electronically within the UT Canvas learning management system. The supporting text is Essentials of Corporate Finance, 9th Edition, by Ross, Westerfield, Jordan, McGraw Hill. This text will be accessed through Connect, an adaptive learning system provided by McGraw Hill. Before accessing the course, you must pay for your materials via the portal provided in Canvas. Alternate versions of the textbook may not be used.

A basic financial calculator, such as an HP 10B11+, is recommended.

Course Organization
The course is organized into 13 modules, each containing two or three lessons that focus on a major element of financial decision making. Each lesson focuses on a major skill and consists of five elements: scenarios, key concepts, LearnSmart assignments (computer graded), applications, and working words (important terms). Most of the modules conclude with a unit quiz (computer graded).

Exams
Students will take two in-person exams. The exams are proctored, paper-based exams that you will take at an approved testing center. They consist of fill-in-the-blank, short essay, and quantitative problems that measure your ability to apply your knowledge of financial decision making. The midterm exam covers modules 1-7 and the final exam covers modules 8-13.

You must pass the final exam to pass the course.

Course Outline

<table>
<thead>
<tr>
<th>Module</th>
<th>Topics</th>
<th>Assessments</th>
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</table>
| 1      | Human Nature and Economic Activity  
• Human Nature and Decision-Making  
• How a Market Economy Works |  |
| 2      | Human Nature and the Ethics of Decision Making  
• Ethics in Non-Profits  
• Do Markets Produce Fair Results?  
• The Role of Government in a Market Economy |  |
| 3      | Structuring the Business Firm  
• Organization of Businesses  
• Corporate Goals and Governance |  
• Computer-Graded Assignment 1  
• Computer-Graded Assignment 2  
• Computer-Graded Assignment 3  
• Computer-Graded Assignment 4 |
| 4      | The Accounting Framework  
• Developing a Company’s Balance Sheet  
• Connecting Managerial Decisions with Income Statements |  
• Computer-Graded Assignment 5  
• Computer-Graded Assignment 6  
• Computer-Graded Assignment 7  
• Computer-Graded Assignment 8  
• Computer-Graded Assignment 9 |
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<thead>
<tr>
<th>Module</th>
<th>Topics</th>
<th>Assessments</th>
</tr>
</thead>
</table>
| 5      | Economic Value: The Basics  
- Calculating Economic Value  
- Making Wealth Increasing Decisions  
- Adjusting Economic Decisions for Risk | ▪ Computer-Graded Assignment 10  
▪ Computer-Graded Assignment 11  
▪ Computer-Graded Assignment 12 |
| 6      | Economic Value: Detailed Cash Flow Analysis  
- Calculating Single Cash Flows in Multiple Time Periods  
- Calculating Multiple Cash Flow Streams | ▪ Computer-Graded Assignment 13  
▪ Computer-Graded Assignment 14  
▪ Computer-Graded Assignment 15  
▪ Computer-Graded Assignment 16  
▪ Computer-Graded Assignment 17  
▪ Computer-Graded Assignment 18  
▪ Computer-Graded Assignment 19 |
| 7      | Risk and the Opportunity Cost  
- Understand Diversification  
- Determine the Opportunity Cost | ▪ Computer-Graded Assignment 20  
▪ Computer-Graded Assignment 21  
▪ Computer-Graded Assignment 22  
▪ Computer-Graded Assignment 23  
▪ Computer-Graded Assignment 24 |
|        | MIDTERM EXAM | |
| 8      | The Economic Balance Sheet  
- Understand the Basis for Valuing a Corporation  
- The Financial System  
- The Efficient Market Hypothesis | ▪ Computer-Graded Assignment 25  
▪ Computer-Graded Assignment 26  
▪ Computer-Graded Assignment 27 |
| 9      | Valuing Bonds  
- Calculate a Bond's Value  
- Assess Bond Risk | ▪ Computer-Graded Assignment 28  
▪ Computer-Graded Assignment 29  
▪ Computer-Graded Assignment 30  
▪ Computer-Graded Assignment 31  
▪ Computer-Graded Assignment 32 |
| 10     | Valuing Stocks  
- Valuing Stocks  
- Connect Managerial NPV Decisions to Stock Prices | ▪ Computer-Graded Assignment 33  
▪ Computer-Graded Assignment 34  
▪ Computer-Graded Assignment 35 |
| 11     | Capital Budgeting Investment Decision Rules  
- The Capital Budgeting Process  
- Special Capital Budgeting Situations | ▪ Computer-Graded Assignment 36  
▪ Computer-Graded Assignment 37  
▪ Computer-Graded Assignment 38  
▪ Computer-Graded Assignment 39  
▪ Computer-Graded Assignment 40 |
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<thead>
<tr>
<th>Module</th>
<th>Topics</th>
<th>Assessments</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td><em>Capital Budgeting Cash Flow Analysis</em></td>
<td>▪ Computer-Graded Assignment 41</td>
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<tr>
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<td>• Project Cash Flows</td>
<td>▪ Computer-Graded Assignment 42</td>
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<tr>
<td></td>
<td>• Capital Budgeting And Inflation</td>
<td>▪ Computer-Graded Assignment 43</td>
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<td>▪ Computer-Graded Assignment 44</td>
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<tr>
<td>13</td>
<td><em>Risk and the Cost of Capital</em></td>
<td>▪ Computer-Graded Assignment 45</td>
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<td>• Understand Risk and the Cost of Capital</td>
<td>▪ Computer-Graded Assignment 46</td>
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<td>• Compute the Cost of Capital</td>
<td>▪ Computer-Graded Assignment 47</td>
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<td>▪ Computer-Graded Assignment 48</td>
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<td>▪ Computer-Graded Assignment 49</td>
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**FINAL EXAM**

**Grade Calculation**
Your final grade for the course will be calculated as follows:

- Computer-graded assignments: 700 points
- Midterm Exam: 150 points
- Final Exam: 150 points
- Total: 1000 points

**You must pass the final exam to pass the course.** You must also earn an overall passing grade:

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<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>A</td>
<td>100-94%</td>
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<tr>
<td>B+</td>
<td>89.9-87%</td>
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<tr>
<td>C+</td>
<td>79.9-77%</td>
</tr>
<tr>
<td>D+</td>
<td>69.9-67%</td>
</tr>
<tr>
<td>F</td>
<td>59.9-0%</td>
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<tr>
<td>A-</td>
<td>93.9-90%</td>
</tr>
<tr>
<td>B</td>
<td>86.9-84%</td>
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<tr>
<td>C</td>
<td>76.9-74%</td>
</tr>
<tr>
<td>D</td>
<td>66.9-64%</td>
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<tr>
<td>B-</td>
<td>83.9-80%</td>
</tr>
<tr>
<td>C-</td>
<td>73.9-70%</td>
</tr>
<tr>
<td>D-</td>
<td>63.9-60%</td>
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**Getting Help**
- Technical Support: uextechsupport@austin.utexas.edu
- For content questions or questions about assignment and grades, use the Inbox tool within Canvas to contact the course instructor.
- For other questions (registration, exam proctoring, transcripts, etc.), contact University Extension.

**University Extension Policies**
Full University Extension policies for self-paced courses may be found on the University Extension website.
Scholastic Dishonesty
Students in this course are expected to work independently, without direct supervision, and to conduct themselves responsibly in accordance with that freedom. To obtain the greatest benefit from their course work, and for the sake of everyone enrolled in our courses, students must demonstrate the willingness to exercise self-discipline, personal responsibility, and scholastic integrity.

We expect the course work and exams that you submit for course credit to be yours and yours alone. Plagiarism and other forms of scholastic dishonesty are serious academic violations that will not be tolerated. The penalties for scholastic dishonesty include the possibility of failure in the course. Scholastic dishonesty in examinations will automatically result in a grade of F on the exam and an F in the course.

University Extension Contact Information
uex@austin.utexas.edu
512-471-2900