

Syllabus for FIN 405 - Section 004
Capital Investment and Financing Decisions
University of Kentucky - Fall 2024
(3 credit hours)

Lecture:

Section 004 - TR 9:30–10:45, Business and Economics Building - Room 265

Instructor: Dr. Will Gerken, CFA

Office:	345P Business and Economics Building
Phone:	(859) 257-2774
Email:	will.gerken@uky.edu (preferred)
Web Pages:	http://www.willgerken.com/fin405/home.html and Canvas
Office Hours:	Monday and Wednesday 10:45–11:15 and by appointment
Zoom Office Hours:	https://uky.zoom.us/j/89799815618 (if needed)

Prerequisites: ECO 201, ECO 202, ACC 201, ACC 202, MA 123, STA 291 or equivalent.

Text and other course materials:

FIN 405 Case packet (available at Johnny Print)

- UVA Case - F - 1563: Target Corporation
- UVA Case - F - 1535: Alliance Concrete: Just One More Thing
- UVA Case - F - 1553: California Pizza Kitchen
- UVA Case - ‘Wrigley and Mars’ case will be distributed by instructor

Course Description: An introduction to the basic principles, concepts, and analytical tools in finance. Includes an examination of the sources and uses of funds, budgeting, present value concepts and their role in the investment financing and dividend decision of the corporate enterprise.

Student Learning Outcomes: The objective of the course is to identify, analyze, and explain the three essential decisions for the firm – the investment decision, the financing decision, and the payout decision. Students should both understand the theoretical foundation of these decisions and as well as how to apply these concepts when dealing with ambiguity.

Attendance: Attendance is mandatory for the completion of quizzes and case studies. While attendance at lectures is not directly scored as part of your grade, prior sections of

this course have displayed a high correlation between attendance and grades. Late arrivals and early departures from class should not occur without my prior approval. Students are responsible for any assignments (quizzes and case studies), knowledge not acquired, or announcements on days that they miss. (e.g. Failure to take a quiz without an university approved excuse will result in zero credit.) Students may be asked to verify their absences in order for them to be considered excused. I will provide my best effort to provide lecture recordings (however, I provide no guarantee of these recordings). Excessive absences, regardless of reason or circumstance, may interfere with a student's ability to successfully complete the course. Please notify me of any scheduled absences due to major religious holidays or university-scheduled (e.g. athletic competitions) activities by the second week of class.

In order to meet federal regulations, the instructor will monitor student participation in this class through attendance or assignments. The instructor will assess student engagement at least once during the first three weeks of the semester using an instrument or activity. Students whose engagement cannot be determined on that date may be dropped from the course. If you will be missing any class period or will not be submitting an assignment during that period, it is your responsibility to notify the instructor, regardless if the absence or missed assignment is excused or not under University rules.

Cases: Casework represents an opportunity for class members to analyze real-world corporate situations. You will work in small teams for the cases. Classroom time will be provided to start the analysis, but some out-of-class time may be required. Failure to submit a case without an university approved excuse will result in zero credit. Case write-ups must be turned in on time to receive credit. Contribution to class discussion is strongly encouraged. Students will receive grades and feedback on case reports.

Quizzes: Weekly quizzes based on lectures will include a mix of practical, conceptual, and theoretical questions to ensure students understand the material (including the cases). A calculator may be used for the quizzes. However, devices capable of storing and/or retrieving text or character material, e.g. computers, are not permitted in quizzes. Students will receive grades available on Canvas.

Make-Up Policy: Any student with prior knowledge of a university excused absence (or with special needs) must contact me at least two weeks prior to arrange to take the quiz/case before the scheduled quiz/case time or to arrange other accommodations. Students who miss an quiz unexpectedly for a University Excused Absence must contact me (by e-mail) within one week of the quiz. Students must bring me a written excuse stating the student visited a physician and was unable to attend class the day of the quiz. The excuse should contain the name and phone number of the doctor's office so the excuse may be verified. (A scheduled dental appointment does not meet the criteria!) Makeup quizzes will be scheduled on Friday afternoons at 4PM the week of the original quiz (or an alternate time at the instructor's discretion). If you miss the makeup quiz, you must have another written excuse stating you

were too ill to take the quiz that day for a University Excused Absence. If the student is absent during a case day, the student may be required to complete the entire case assignment individually.

Academic Honesty: Per University policy, students shall not plagiarize, cheat, or falsify or misuse academic records. Any evidence of cheating will be dealt with using the rules of the UK University Senate. Cheating on any part of an assignment will result in a zero for the entire assignment.

Grading: Your course grade will be determined based on the following breakdown:

- Cases @ 100 each (best 4 [final case counts twice]) - total 400 possible points
- Quizzes @ 50 each (best 12) - total 600 possible points

Must complete all assignments (i.e. final case cannot be dropped).

Grades are determined as followed and may be adjusted as necessary by the instructor:

Range	Grade
900-1000	A
800-899	B
700-799	C
600-699	D
0-599	E

Mid-term grades will be posted in myUK by the deadline established in the Academic Calendar.

Tentative Course Schedule:

This schedule may be adjusted as necessary by the instructor and is given only as a reference.

Week	Topic	
1	Financial Decision Making	
2	Financial Decision Making	
3	Financial Decision Making	Target Case
4	Risk & Return	
5	Risk & Return	
6	Cost of Capital	
7	Cost of Capital	Alliance Case
8	Capital Structure	
9	Capital Structure	CPK Case
10	Corporate Governance	
11	Corporate Governance	
12	Risk Management	
13	Risk Management	
14	Boundaries of the Firm	
15	Boundaries of the Firm	Merger Case

Class Recording Notification:

The University of Kentucky Student Code of Conduct defines Invasion of Privacy as using electronic or other devices to make a photographic, audio, or video record of any person without their prior knowledge or consent when such a recording is likely to cause injury or distress.

Meetings of this course may be recorded. All video and audio recordings of lecturers and class meetings, provided by the instructors, are for educational use by students in this class only. They are available only through the Canvas shell for this course and are not to be copied, shared, or redistributed.

As addressed in the Student Code of Conduct, students are expected to follow appropriate university policies and maintain the security of linkblue accounts used to access recorded class materials. Recordings may not be reproduced, shared with those not enrolled in the class, or uploaded to other online environments.

If the instructor or a University of Kentucky office plans any other uses for the recordings, beyond this class, students identifiable in the recordings will be notified to request consent prior to such use. In anticipation of such cases, students may be asked to complete an “authorization of use” form by a faculty member.

Video and audio recordings by students are not permitted during the class unless the student has received prior permission from the instructor. Any sharing, distribution, and or uploading of these recordings outside of the parameters of the class is prohibited. Students with specific recording accommodations approved by the Disability Resource Center should present their official documentation to the instructor.

All content for this course, including handouts, assignments, and lectures are the intellectual property of the instructors and cannot be reproduced or sold without prior permission from the instructors. A student may use the material for reasonable educational and professional purposes extending beyond this class, such as studying for a comprehensive or qualifying examination in a degree program, preparing for a professional or certification examination, or to assist in fulfilling responsibilities at a job or internship.

Other required syllabus elements:

<https://www.uky.edu/universitysenate/acadpolicy>

<https://www.uky.edu/universitysenate/syllabus-dei>