



Course Information

Location: GSB 5.330

Times: TTH 9:30 – 11:00 (03715)

TTH 11:00 – 12:30 (03720)

TTH 2:00 – 3:30 (03730)

Prereq: 90 hours, FIN 357, FIN 367, FIN 353*,
and 3 additional hours FIN/RE

TA: Paige Stroud

Instructor Information

Instructor: William J. Way

Office: GSB 5.176F

Zoom Office Hours: TTH 3:30 – 5:00 p.m.
and by appointment

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I. Introduction

Integrative Finance enables you to apply what you have learned in previous finance courses to the solution of realistic business problems. You will employ the concepts and tools of finance to examine a wide range of business issues and explore potential solutions from the perspective of the chief financial officer of the firm. The goal of the course is to familiarize you with the process of analyzing problems, weighing alternative actions, and choosing the best possible solution(s) to enhance firm value. The course is designed to model the workplace and prepare you for a job as a financial professional. Much of the educational process takes place outside of the classroom and you are largely responsible for your own learning.

II. Goals

The primary goal of the course is to enhance your analytical and problem-solving abilities. Through a combination of case analyses, readings, lectures, class discussions, and group presentations, students should: (a) improve their speaking and business writing skills, (b) gain exposure to issues frequently encountered by business decision makers, (c) develop personal and professional skills valued by employers (e.g., time management, planning, collaboration, responsibility, and integrity), and d) discover that success in the workplace requires a combination of quantitative and qualitative skills.

III. Classroom Expectations

Active attendance, participation, and preparation are required, as most of our classroom activities are devoted to case discussions. Students are expected to attend every class, prepare every assignment, and participate in every class discussion. Specific information and study questions will be furnished for each assignment. If you are unfamiliar with the presentation topic, please review the textbooks from your previous finance courses and supplemental course materials. **All class meetings are in-person unless notified otherwise.**

IV. Course Materials (Required)

1. **Course Packet:** The assigned cases are available through Harvard Business School Publishing (HBSP) via the following link:
 - <https://hbsp.harvard.edu/import/839515>
 - The Midterm and Final cases are included in the course packet and will be activated on the assignment date.
2. Other material and readings are posted in Canvas or available online.

V. Grade Computation

10 Case Summaries (out of 15 eligible; excludes Midterm, Final, and your group presentation)	10%
1 Midterm Case (Staff Analysis & Case Exhibits) [Independent]	30%
1 Group Case Presentation and supporting documents	10%
1 Final Case (Staff Analysis & Case Exhibits) [Independent]	30%
Class Attendance/Participation/Preparation (A/P/P)	15%
Peer Evaluation	5%

Final letter grades will be assigned according to the following criteria:

A >93 A- 90-92.9 B+ 87-89.9 B 83-86.9 B- 80-82.9 C+ 77-79.9 C 73-76.9 C- 70-72.9, etc.

You will receive a numeric score for each assignment. Final grades will not be determined until the scores for all assignments are averaged, as indicated above. Final course grades may reflect the application of a small curve. The target GPA for the course is approximately 3.40. **All course grades are final, except in the instance of a recording error.**

Case assignments submitted on a timely basis will be returned approximately three weeks after their submission. If you have a question about any grade assigned, you must submit the question in writing, within one week after the assignment is returned. Your inquiry should include your name, UT EID, section number, the title of the assignment, and a written explanation of why you think the grade is incorrect. **I retain the right to raise or lower grades after review.**

VI. Written Work (70% of course grade)

***This course carries the Writing Flag.** Writing Flag courses are designed to give students experience with writing in an academic discipline. In this class, you can expect to write regularly during the semester, complete substantial writing projects, and receive feedback from your instructor to help you improve your writing. You will also have the opportunity to revise one assignment and to read and discuss your peers' work.*

***This course also carries the Independent Inquiry Flag.** The purpose of the Independent Inquiry flag is to engage students in the process of inquiry over the course of a semester, providing them with the opportunity for independent investigation of a question, problem, or project related to their major. To that end, courses carrying this flag require students to complete projects and assignments involving independent investigation and presentation of their own work.*

Each student will submit multiple written assignments based on cases from the course packet. The two major independent case assignments (Midterm and Final) include a Staff Analysis (SA) and a set of prepared Case Exhibits (CE). Other case assignments include independently prepared Case Summaries for each case discussed in class.

A. Submission of Formal Written Work – All formal case assignments (individual Midterm and Final) are due when indicated in the class schedule. Papers submitted after the due date/time will be penalized 5 points (out of 100) for each 24-hour period (or fraction thereof) beyond the deadline. In other words, any part of a day counts as a whole day in determining the late penalty. Late papers will not be accepted after the case assignment is reviewed in any FIN 370 class.

- **The Midterm and Final cases must be uploaded via Canvas and reviewed by Turnitin.**
- **A completed cover sheet (grading rubric) must accompany each case submission.**

B. Case Summaries – Students will prepare individual Case Summaries (**minimum one page, single-spaced**) to evidence their case preparation. Students are responsible for completing 10 of the 15 eligible Case Summary assignments. **The Midterm case, Final case, and the case presented by your group are ineligible for submission.**

- **Case Summaries are designed to motivate class discussion; hence, you must attend class to fulfill this requirement.** Absences due to illness/interview are no exception, so please plan accordingly.
- **Case summaries must be uploaded to Canvas before class begins. Late assignments are not accepted.**
- **Case Summary Revision** – Students can revise and resubmit one Case Summary assignment if they are unhappy with their grade. The final deadline to resubmit a Case Summary is the last day of class (Thursday, Dec. 2). **Assignments with a grade of zero cannot be revised.**

- ❖ **As this course has a writing flag, many assignments require that the work be entirely your own (i.e., Midterm Case, Final Case, and Case Summaries).**
- ❖ **Students may not work together on these assignments and the specific language, structure, and format of each student's paper must be independent.**
- ❖ **Do not share your analyses, use the papers of any other FIN 370 student (current or former), or use unauthorized sources in preparing a written assignment!**

VII. Group Presentations (10% of course grade)

The class will be organized into 6 case groups of approximately 5 to 6 students each, depending on class size. Groups are formed at students' discretion, on a first come, first served basis; however, I reserve the right to reassign students to ensure balanced group sizes.

A. Case Presentations – Each case group will be responsible for presenting one case during the semester. The goal of the presentation is to “teach” the case to your classmates and engage them in a discussion of the relevant qualitative and quantitative issues. Case presentations should last approximately **60** minutes and will be followed by a critique/feedback session. **Presentation grades are individual; hence, everyone in the group should participate equally in the presentation.**

- Case presentations should be supported by PowerPoint slides, Excel spreadsheets, and/or handouts. **Copies of this material must be presented to the instructor before the presentation begins. Late submission of presentation materials will be penalized.**
- **I strongly urge groups to meet with me (in my office or via Zoom) before the presentation to check numbers, discuss case methodology, and ensure the “teaching” goal is accomplished. Incorrect numbers and faulty methodology will be penalized.**

VIII. Peer Evaluation (5% of course grade)

Each member of the case presentation groups will evaluate the contribution of other group members. This portion of the grade is based on your fellow group members' perception of the quality and quantity of your participation in the case presentation assignment. I will use this confidential feedback to assign a peer evaluation grade. The final day to resubmit a peer evaluation is the last day of class (Thursday, December 2). **Failure to submit a peer evaluation will result in a grade of zero for this assignment.**

IX. Class Attendance/Participation/Preparation (A/P/P) (15% of course grade)

The success of this course depends on the active participation of the audience. To this end, a significant portion of the course grade is devoted to qualities such as preparation, timeliness, attentiveness, responsiveness, and professionalism.

Your A/P/P grade is determined by your faithful and punctual attendance, preparation for class assignments, the quantity/quality of your contributions to class discussions, and your professional comportment during class. **Each student is expected to attend the class section for which they are registered, participate in every class discussion, and always display their name card.**

- You are allowed the equivalent of two absences for any reason.
 - **In combination, instances of tardiness, leaving early, non-participation, etc., are the equivalent of an absence (see grade calculation, below).**
 - If you have more than two unexcused absences (or the equivalent), each additional infraction will reduce your final A/P/P grade.
- Two additional absences for interviewing may be completely excused. Interview absences exceeding this number will be excused for attendance, but not for participation.
 - You must provide interview documentation **within two weeks** of your absence.
 - Examples of this documentation include an interview schedule, plane ticket, etc.
 - Zoom interviews should be scheduled outside of class times
- Absences due to illness or emergencies may be excused with timely and appropriate documentation, as determined by the instructor. Documentation must be provided **within two weeks** of your absence.
- **An excused absence does not excuse any assignment that is due on that day.**

A/P/P Grade Calculation

- Attendance, including instances of tardiness and leaving early, is recorded for each class session beginning the second week of class.
- Participation credit is awarded to:
 - Members of the group who make a case presentation
 - Audience members who make a constructive contribution to the class discussion
- Each student begins with a total of **108** points. The eight additional points offset unexcused/undocumented absences or instances of tardiness/leaving early, non-participation, etc., in any combination. Points are deducted for each infraction as follows:
 - Unexcused absence = **-4 points**
 - Tardiness/leaving early = **-1 point**
 - Chronic “coming and going” during the class session = **-1 point**
 - Attended class, but did not participate = **-2 points**
 - Excess excused absences for interviewing (> 2) = **-2 points**
 - Excess unexcused absences (> 4) = **-8 points**
 - Excess tardiness/leaving early (> 4) = **-2 points**
- Your final Attendance/Participation/Preparation grade equals the total score derived using these values (**Maximum A/P/P Score = 100**).
- **Use your A/P/P points wisely . . . There is no opportunity to restore lost points.**

X. Other Grading Criteria

The primary basis for grading written assignments is content; however, professionalism in presentation is also given substantial weight. The writing skills component of the analysis considers formatting, spelling, grammar, punctuation, appropriateness, clarity, and thought. The following book is recommended for aiding in the preparation of written work: Strunk, William, Jr. and E.B. White, "The Elements of Style."

Anyone who needs additional assistance in mastering basic writing skills can receive help through the Undergraduate Writing Center in the Flawn Academic Center, Room 211, or by calling 471-6222. The website for the Writing Center is <http://www.uwc.fac.utexas.edu/>

Specific instructions for preparing the Staff Analysis writing assignments (Midterm and Final cases) are available in the course document entitled, "Guidelines for Writing Case Analyses," which is available on Canvas.

XI. Academic Integrity

Policy on Scholastic Dishonesty: *The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program's Statement on Scholastic Dishonesty at <http://www.mcombs.utexas.edu/BBA/Code-of-Ethics.aspx>. By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at <http://deanofstudents.utexas.edu/sjs/> to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.*

- ❖ **Unless specifically indicated otherwise, all writing assignments must be individually prepared by the student to avoid scholastic dishonesty. If you have any questions regarding this policy, please ask the instructor.**
- ❖ **Instances of scholastic dishonesty will be referred to the Dean of Students and may result in significant grade penalties.**

XII. Additional Policies

A. Students with Disabilities – *Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, <http://www.utexas.edu/diversity/ddce/ssd/>.*

B. Access to Canvas – All students must have access to the Canvas web site for this course. I will use this venue to post class notes, assignments, announcements, and grades. I will also use the E-mail feature of Canvas to correspond with you. Check the site (and your E-mail) regularly to ensure that you have the most current information. Please note the following:

Web-based, password-protected class sites will be available for all accredited courses taught at The University. Syllabi, handouts, assignments and other resources are types of information that may be available within these sites. Site activities could include exchanging e-mail, engaging in class discussions and chats, and exchanging files. In addition, class e-mail rosters will be a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on restricting directory information see: <http://www.utexas.edu/student/registrar/catalogs/gi02-03/app/appc09.html>

C. Computers and Electronic Devices – The use of laptops, tablet computers, and cell phones during class is prohibited, except in support of classwork. **Violation of these policies, including texting and web surfing, will reduce your A/P/P grade.**

D. Religious Holy Days – By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, an assignment, or a project to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

E. Diversity and Inclusion – I expect that students with different backgrounds and views will be well served by this course. I trust that students' learning needs will be addressed, and that diverse perspectives can be comfortably expressed and viewed as a resource, strength, and benefit to all. Please consult me if you have any concerns.

F. Title IX Reporting – Beginning January 1, 2020, Texas Senate Bill 212 requires all employees of Texas universities, including faculty, report any information to the Title IX Office regarding sexual harassment, sexual assault, dating violence and stalking that is disclosed to them. Texas law requires that all employees who witness or receive any information of this type (including, but not limited to, writing assignments, class discussions, or one-on-one conversations) must be reported.

I am a Responsible Employee and must report any Title IX related incidents that are disclosed in writing, discussion, or one-on-one. Before talking with me, or with any faculty or staff member about a Title IX related incident, be sure to ask whether they are a responsible employee. If you would like to speak with someone who can provide support or remedies without making an official report to the university, please email advocate@austin.utexas.edu. For more information about reporting options and resources, visit <http://www.titleix.utexas.edu/>, contact the Title IX Office via email at titleix@austin.utexas.edu, or call 512-471-0419.

G. McCombs Classroom Professionalism Policy - The highest professional standards are expected of members of the McCombs community. The collective class reputation and the value of the McCombs experience hinges on this. Please let me know right away if this ever is not the case. Faculty are expected to be professional and prepared to deliver value for every class session. Students are expected to be professional in all respects. Classroom expectations of students include:

- Students will arrive on time.
- Students will be fully prepared for each class.
- Students will attend the class section for which they are registered.
- Students will respect the views and opinions of their colleagues. Disagreement and debate are encouraged. Intolerance for the views of others is unacceptable.
- Phones and wireless devices are turned off unless otherwise instructed by the professor.

H. Sharing of Course Materials is Prohibited – No materials used in this class, including, but not limited to, lecture hand-outs, videos, assessments (quizzes, exams, papers, projects, homework assignments), in-class materials, review sheets, and additional problem sets, may be shared online or with anyone outside of the class unless you have my explicit, written permission. Unauthorized sharing of materials promotes cheating. It is a violation of the University’s Student Honor Code and an act of academic dishonesty. I am aware of the sites used for sharing materials, and any materials found online that are associated with you, or any suspected unauthorized sharing of materials, will be reported to Student Conduct and Academic Integrity in the Office of the Dean of Students. These reports can result in sanctions, including failure in the course.

I. Campus Safety – Please note the following recommendations regarding emergency evacuation, provided by the Office of Campus Safety and Security, 512-471-5767, <http://www.utexas.edu/safety>

- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.
- Familiarize yourself with all exit doors of each classroom and building. Remember that the nearest exit door may not be the one you used when entering the building.
- Students requiring assistance in evacuation should inform the instructor in writing during the first week of class.
- In the event of an evacuation, follow the instruction of faculty or class instructors.
- Do not re-enter a building unless given instructions by: Austin Fire Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.
- Behavior Concerns Advice Line (BCAL): 512-232-5050
- Further information regarding emergency evacuation routes and emergency procedures can be found at: <http://www.utexas.edu/emergency>

J. Campus Health – Please follow University guidelines and best practices to ensure the health of yourself and others.

XIII. Additional Comments

The requirements and recommendations for succeeding in this course are outlined in this syllabus. Since no extra-credit is available, I encourage you to follow these policies and utilize office hours to maximize your understanding of the assignments and their specific requirements. These policies provide the basic guidelines and code of conduct for this course. They are designed to reduce confusion and establish an equitable framework for the entire class. As a matter of principle, I will enforce these policies fairly and religiously.

The “spirit” of the course is just as important as the “rules and regulations.” My goal is to create a cooperative classroom environment in which we learn from each other. To that end, I welcome your constructive comments and suggestions as we progress through the course. Your feedback is an important element of course delivery and development.

Barring an emergency, I will be available during office hours and at additional times. I encourage you to visit with me regarding the class assignments, concerns with the course, or just to say “hello.” I am also accessible via telephone or E-mail. I will make every effort respond within one business day. Welcome back to campus!

Class Assignments and Readings
(See Course Schedule for specific information)

Introduction

TH - Aug 26 Lecture 1: Course Introduction

Assignment: Review course syllabus and materials on course Canvas site

Managing Short Term Assets and Liabilities

T - Aug 31 Lecture 2: Case Preparation and Working Capital Management

Reading Assignment – Available in Canvas Modules: Chapter 18, Short-Term Finance and Planning, Ross, Stephen A., Randolph W. Westerfield, and Bradford D. Jordan, Fundamentals of Corporate Finance, 12th ed., New York, NY, McGraw Hill, 2019.

TH - Sept 2 Case 1: Jackson Automotive Systems [cash budgeting]

T - Sept 7 Lecture 3: Financial Forecasting

Reading Assignment – Available in Canvas Modules: Chapter 4, Long Term Financial Planning and Growth, Ross, Stephen A., Randolph W. Westerfield, and Bradford D. Jordan, Fundamentals of Corporate Finance, 12th ed., New York, NY, McGraw Hill, 2019.

TH - Sept 9 Case 2: Tire City, Inc. [forecasting and external funds needed]

Financial Policies

T - Sept 14 Lecture 4: Financial Policies: Capital Structure and Payout

Reading Assignment – Available in Canvas Modules: Chapter 16, Financial Leverage and Capital Structure Policy, Ross, Stephen A., Randolph W. Westerfield, and Bradford D. Jordan, Fundamentals of Corporate Finance, 12th ed., New York, NY, McGraw Hill, 2019.

TH - Sept 16 Case 3: Hill Country Snack Foods Co. [capital structure]

T - Sept 21 Case 4: Winfield Refuse Management [debt/equity choice]

TH - Sept 23 Case 5: Dividend Policy at FPL Group, Inc. (A) [dividend and payout policy]

Reading Assignment – Available in Canvas Modules: Chapter 17, Dividends and Payout Policy, Ross, Stephen A., Randolph W. Westerfield, and Bradford D. Jordan, Fundamentals of Corporate Finance, 12th ed., New York, NY, McGraw Hill, 2019.

T - Sept 28 Case 6: WNG Capital LLC [operating lease]

❖ **The Midterm case will be distributed today.**

Risk Management

TH - Sept 30 Lecture 5: Risk Management

Reading Assignment – Available in Canvas Modules: Derivatives Overview, Richard Hecker and David Mengle, Understanding Derivatives: Markets and Infrastructure, Federal Reserve Bank of Chicago, 2013

T - Oct 5 Case 7: Hedging at Porsche [risk management]

Class Assignments and Readings
(See Course Schedule for specific information)

TH - Oct 7 Case 8: The Midterm case is due online before 3:00 p.m. (There is no class today)

T - Oct 12 Case 8: In class review of Midterm case

Capital Budgeting

TH - Oct 14 Case 9: Valuing Capital Investment Projects [capital budgeting exercise]

T - Oct 19 Case 10: Estimating Walmart's Cost of Capital [WACC] (**Presented by Group 1**)

TH - Oct 21 Case 11: New Heritage Doll Co. [capital budgeting - expansion] (**Presented by Group 2**)

Valuation

T - Oct 26 Lecture 6: Valuation

TH - Oct 28 Case 12: Burton Sensors, Inc. [investing & financing decision] (**Presented by Group 3**)

T - Nov 2 Case 13: Spotify's Direct-Listing IPO [valuing an IPO] (**Presented by Group 4**)

Mergers & Acquisitions and Corporate Restructuring/Reorganization

TH - Nov 4 Lecture 7: M & A and Corporate Restructuring

T - Nov 9 Case 14: Tesla: The SolarCity Acquisition [merger and acquisition] (**Presented by Group 5**)

TH - Nov 11 Case 15: Buffett's Bid for Media General [M&A/restructuring] (**Presented by Group 6**)

❖ The Final case will be distributed today

T - Nov 16 Case 16: The Panera Bread LBO [APV/LBO]

TH - Nov 18 Case 17: Canadian Pacific, Ltd [Restructuring/reorganization]

T - Nov 23 Case 18: The Final case is due online before 3:00 p.m. (There is no class today)

TH - Nov 25 Thanksgiving Holiday

T - Nov 30 Case 18: In class review of Final case

Course Review and Wrap-Up

TH - Dec 2 Lecture 8: Course Wrap Up