

## **FIN 430: Financial Modeling (Spring 2016)**

**Professor Russell Jame**

BE Room 235

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Office hours: TR 9-10 am, or by appointment

### **Course Overview and Objectives**

This course is designed to provide students with the skills necessary to apply modern financial theories to real world applications using advanced spreadsheet and visual-basic programming tools. This course is designed for serious students who love finance, math, statistics, and logical thinking in general. This course will not be a good fit for students looking for an easy A.

### **Course Prerequisites**

Grade of B or better in FIN 410. Any student enrolled in this course not satisfying the prerequisites will be dropped from the class roll without further notice unless the correct prerequisite waiver process has been satisfactorily completed. For further assistance please contact the Undergraduate Resource Center.

### **Required Materials**

#### *1) Textbook*

Simon Benninga's *Principles of Finance with Excel*. Second edition.

Description from [www.amazon.com](http://www.amazon.com) :

Finance is a topic that requires much computation, and in today's business world that computation is done almost entirely using Excel software. Despite this, existing finance textbooks continue to rely heavily on hand calculators. Business school students—whose background in Excel software is often weak when they come into finance courses—find that when they leave the academic environment they have to relearn both finance and the software. Addressing this issue, *Principles of Finance with Excel* is the only introductory finance text that comprehensively integrates the program into the teaching and practice of finance. Offering exceptional resources for students and instructors, the book combines classroom-tested pedagogy with the powerful functions of Excel software. Author Simon Benninga—one of the most recognized names in financial modeling—shows students how spreadsheets provide new and deeper insights into financial decision making.

#### *2) Power Point Slides and other Materials*

Power point slides and additional materials (e.g., handouts, practice quizzes, etc.) will all be made available via Blackboard. Power point slides act as a general guide to our in-class discussions, but are *intentionally* incomplete. Handouts are mandatory assignments which will ultimately form your problem sets (see below).

#### *3) Laptop Computer*

This class requires the use of a laptop computer with MS Excel. All versions of Excel (2003, 2007, 2010, and 2013) are basically the same and are fine for the class. Many files are initially saved in

2007/2010/2013 format. To open in Excel 2003, download the compatibility pack from Microsoft: <http://www.microsoft.com/en-us/download/details.aspx?id=3>

I will use a Microsoft-based version of Excel. If you have a Mac computer, I recommend that you access Excel through Virtual Den: <https://apps.uky.edu/Citrix/Remote/auth/login.aspx>

If you plan on using Virtual Den, I suggest you review the following FAQs: <https://www.uky.edu/ukat/virtualden/faq>

You should bring your laptop to every class. It is particularly important to bring your laptop on quiz days, as all quizzes will be completed in Excel.

### **Grading**

#### *Problem Sets:*

Approximately every three weeks (generally on a Friday), you will turn in Excel-based problem sets. The problem sets will consist of a subset of questions taken verbatim from the end of class handouts. After each class, I plan to give you some time to work on the handouts. Whatever is not completed during class time needs to be completed at home. These assignments may be completed with **one** other student, though you may ask your classmates and your professor for general guidance. Sharing files is a form of plagiarism and will be treated accordingly. Please see the University guidelines regarding Academic Integrity on pages 3 and 4.

#### *Tests:*

In-class tests will be administered approximately every four weeks (generally on a Thursday). The test will generally be similar in structure to the problem sets. *Absolutely no* make-up test will be given except for documented excused University absences. The student should notify the instructor before the test if it will be missed (if possible) and must provide a documented excuse (as defined in Student Rights and Responsibilities and on page 3 of this syllabus) to the instructor.

<i>Grading Component</i>	<i>Weighting</i>	<i>Total Weighting</i>
Problem Sets (x5)	6%	30%
Tests (x4)	17.5%	70%
Total		100%

<i>Grade</i>	<i>Total points</i>
A	90-100
B	80-89.99
C	70-79.99
D	60-69.99
E	≤ 59.99

You will be informed of your current progress based on the above criteria before the midterm date of the semester.

**Professionalism**

Your college education should prepare you for the workforce. As such, I expect you to come to class on time, to be prepared and to participate. This class will be administered in a business-like manner. *As such, please refrain from the use of cell phones or computers for non-academic purposes.* Any violation of this policy will result in the removal of the student from the course.

**Excused Absences**

Students need to notify the professor of absences prior to class when possible. S.R. 5.2.4.2 defines the following as acceptable reasons for excused absences: (a) serious illness, (b) illness or death of family member, (c) University-related trips, (d) major religious holidays, and (e) other circumstances found to fit “reasonable cause for nonattendance” by the professor.

Students anticipating an absence for a major religious holiday are responsible for notifying the instructor in writing of anticipated absences due to their observance of such holidays no later than the last day in the semester to add a class. Information regarding dates of major religious holidays may be obtained through the religious liaison, Mr. Jake Karnes (859-257-2754).

**Verification of Absences**

Students may be asked to verify their absences in order for them to be considered excused. Senate Rule 5.2.4.2 states that faculty have the right to request “appropriate verification” when students claim an excused absence because of illness or death in the family. Appropriate notification of absences due to university-related trips is required prior to the absence.

**Academic Integrity**

Per university policy, students shall not plagiarize, cheat, or falsify or misuse academic records. Students are expected to adhere to University policy on cheating and plagiarism in all courses. The minimum penalty for a first offense is a zero on the assignment on which the offense occurred. If the offense is considered severe or the student has other academic offenses on their record, more serious penalties, up to suspension from the university may be imposed.

Plagiarism and cheating are serious breaches of academic conduct. Each student is advised to become familiar with the various forms of academic dishonesty as explained in the Code of Student Rights and Responsibilities. Complete information can be found at the following website: <http://www.uky.edu/Ombud>. A plea of ignorance is not acceptable as a defense against the charge of academic dishonesty. It is important that you review this information as all ideas borrowed from others need to be properly credited.

Part II of Student Rights and Responsibilities (available online <http://www.uky.edu/StudentAffairs/Code/part2.html>) states that all academic work, written or otherwise, submitted by students to their instructors or other academic supervisors, is expected to be the result of their own thought, research, or self-expression. In cases where students feel unsure about the question of plagiarism involving their own work, they are obliged to consult their instructors on the matter before submission.

When students submit work purporting to be their own, but which in any way borrows ideas, organization, wording or anything else from another source without appropriate acknowledgement of the fact, the students are guilty of plagiarism. Plagiarism includes reproducing someone else's work, whether it be a published article, chapter of a book, a paper from a friend or some file, or something similar to this. Plagiarism also includes the practice of employing or allowing another person to alter or revise the work which a student submits as his/her own, whoever that other person may be.

Students may discuss assignments among themselves or with an instructor or tutor, but when the actual work is done, it must be done by the student, and the student alone. When a student's assignment involves research in outside sources of information, the student must carefully acknowledge exactly what, where and how he/she employed them. If the words of someone else are used, the student must put quotation marks around the passage in question and add an appropriate indication of its origin. Making simple changes while leaving the organization, content and phraseology intact is plagiaristic. However, nothing in these Rules shall apply to those ideas which are so generally and freely circulated as to be a part of the public domain (Section 6.3.1).

Please note: Any assignment you turn in may be submitted to an electronic database to check for plagiarism.

### **Accommodations Due to Disability**

If you have a documented disability that requires academic accommodations, please see me as soon as possible during scheduled office hours. In order to receive accommodations in this course, you must provide me with a Letter of Accommodation from the Disability Resource Center (Room 2, Alumni Gym, 257-2754, email address: [jkarnes@email.uky.edu](mailto:jkarnes@email.uky.edu)) for coordination of campus disability services available to students with disabilities.

## Tentative Schedule of Key Dates

Below is a *very tentative* schedule to follow. *Please note that all dates are subject to change and are dependent upon the speed at which the material is covered in class as well as unforeseeable events.*

<i>Date</i>	<i>Topic</i>
<b>Part 1: ( ~Chapters 1, 24, 25, 27, 2, 3, &amp;4)</b>	
Thursday, January 14 <sup>th</sup>	First day of class
Friday, February 5 <sup>th</sup>	Problem Set 1 Due <sup>1</sup>
Thursday, February 11 <sup>th</sup>	Test 1
<b>Part 2: ( ~Chapters 5-8)</b>	
Friday, February 26 <sup>th</sup>	Problem Set 2 due
Thursday, March 3 <sup>rd</sup>	Test 2
<b>Part 3: ( ~ Chapters 9-12)</b>	
March 14-Marh 19	Spring Break
Friday, March 25 <sup>th</sup>	Problem Set 3 Due
Thursday, March 31 <sup>st</sup>	Test 3
<b>Part 4 ( ~ Chapters 13-16)</b>	
Thursday, April 14 <sup>th</sup>	No class. Look at VBA Videos
Friday, April 15 <sup>th</sup>	Problem Set 4 Due
Thursday, April 21 <sup>st</sup>	Test 4
<b>Part 5 (VBA and other Excel Tips)</b>	
Thursday, April 28 <sup>th</sup>	Last Day of Class
Friday, April 29 <sup>th</sup>	Problem Set 5 Due

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<sup>1</sup> All problems sets should be submitted online via *SafeAssign* by 11:59 pm on the day of the due date.