Instructor: Shane Underwood
Email: seunderwood@cba.ua.edu
Office: 223 Alston Hall
Phone: (205) 348-7076
Office Hours: My door is always open for any questions that you might have about the course. If you would like to set up a specific appointment time, please call or email.

Course overview:
This course is designed for law students with little or no background in finance. Topics covered will include
1) time value of money
2) capital budgeting
3) basic asset pricing models such as the Capital Asset Pricing Model (CAPM)
4) capital structure decisions
5) payout policy

Course Objectives
At the end of this course, students should be able to:
1) Understand the time value of money and apply formulas for valuing single cash flows as well as annuities and perpetuities
2) Make sound capital budgeting decisions using net present value (NPV) and internal rate of return (IRR)
3) Understand the basic relation between risk and return
4) Evaluate the impact of debt on the firm’s capital structure
5) Understand various methods of returning cash to shareholders

Course Materials
There is no required text for this course. Two optional texts are as follows:

While the course will align most closely with Welch’s textbook, the book by Ayers is a good choice for lawyers and is inexpensive.

Course Grades
Your overall grade for the course will depend on the following:
Midterm Quiz (Friday January 10 1:30pm): 30%
Final Exam (Friday January 24 1:30pm): 70%
**Grading Policy**
I am happy to consider changing grades on assignments and exams if I’ve made an obvious error in grading -- if and only if the following conditions are met:

- A detailed request for a grade revision is made in writing.
- All requests must be made within seven days of when your assignment/exam is returned.

**Tentative Course Outline**

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<thead>
<tr>
<th>Date</th>
<th>Topic</th>
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<tbody>
<tr>
<td>Tuesday, January 7</td>
<td>Time Value of Money I</td>
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<td>Wednesday, January 8</td>
<td>Time Value of Money II</td>
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<tr>
<td>Thursday, January 9</td>
<td>Capital Budgeting</td>
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<tr>
<td>Friday, January 10</td>
<td>Midterm Quiz (1:30pm)</td>
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<td>Monday, January 13</td>
<td>Risk and Return (CAPM)</td>
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<td>Tuesday, January 14</td>
<td>Risk and Return II</td>
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<tr>
<td>Wednesday, January 15</td>
<td>Capital Structure</td>
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<tr>
<td>Thursday, January 16</td>
<td>Payout Policy/Review</td>
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<tr>
<td>Friday, January 24</td>
<td>Final Exam (1:30pm)</td>
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**Disability Statement**
If you are registered with the Office of Disability Services, please make an appointment with me as soon as possible to discuss any course accommodations that may be necessary. If you have a disability, but have not contacted the Office of Disability Services, please call 348-4285 or visit 133-B Martha Parham Hall East to register for services. Students who may need course adaptations because of a disability are welcome to make an appointment to see me during office hours. Students with disabilities must be registered with the Office of Disability Services, 133-B Martha Parham Hall East, before receiving academic adjustments.

**Policy on Academic Misconduct**
All students in attendance at the University of Alabama are expected to be honorable and to observe standards of conduct appropriate to a community of scholars. The University expects from its students a higher standard of conduct than the minimum required to avoid discipline. Academic misconduct includes all acts of dishonesty in any academically related matter and any knowing or intentional help or attempt to help, or conspiracy to help, another student.

The Academic Misconduct Disciplinary Policy will be followed in the event of academic misconduct.

**Severe Weather Protocol**
In the case of a tornado warning (tornado has been sighted or detected by radar; sirens activated), all university activities are automatically suspended, including all classes and laboratories. If you are in a building, please move immediately to the lowest level and toward the center of the building away from windows (interior classrooms, offices, or corridors) and remain there until the tornado warning
has expired. Classes in session when the tornado warning is issued can resume immediately after the warning has expired at the discretion of the instructor. Classes that have not yet begun will resume 30 minutes after the tornado warning has expired provided at least half of the class period remains.

UA is a residential campus with many students living on or near campus. In general classes will remain in session until the National Weather Service issues safety warnings for the city of Tuscaloosa. Clearly, some students and faculty commute from adjacent counties. These counties may experience weather related problems not encountered in Tuscaloosa. Individuals should follow the advice of the National Weather Service for that area taking the necessary precautions to ensure personal safety. Whenever the National Weather Service and the Emergency Management Agency issue a warning, people in the path of the storm (tornado or severe thunderstorm) should take immediate life saving actions.

When West Alabama is under a severe weather advisory, conditions can change rapidly. It is imperative to get to where you can receive information from the National Weather Service and to follow the instructions provided. Personal safety should dictate the actions that faculty, staff and students take. The Office of Public Relations will disseminate the latest information regarding conditions on campus in the following ways:

- Weather advisory posted on the UA homepage
- Weather advisory sent out through Connect-ED--faculty, staff and students (sign up at myBama)
- Weather advisory broadcast over WVUA at 90.7 FM
- Weather advisory broadcast over Alabama Public Radio (WUAL) at 91.5 FM
- Weather advisory broadcast over WVUA 7. WVUA 7 Storm Watch provides a free service you can subscribe to that allows you to receive weather warnings for Tuscaloosa via e-mail, pager or cell phone. Check http://www.wvua7.com/stormwatch.html for details.