

FINC 4531 Intermediate Corporate Finance
Tuesday and Thursday, 3:30 pm – 4:45 pm, Miller Hall 2214
Expanded Course Outline
Spring 2018

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Office: Adamson Hall - 205B
Office Hours: T&TH: 12:30-3:30 PM
W: 1:00-5:00 PM (may be virtual)
also by appointment (I am in the office most days; feel free to “drop-in.”)

I. Catalog Description :

An in-depth study of financial planning and management with emphasis on capital structure and dividend payout policies, cost of capital and capital budgeting, and working capital management. The course serves as a framework for understanding a broad range of corporate financial decisions. Cases and directed readings are used extensively.

II. Required Background or Experience:

A. Prerequisites: FINC 3511

B. Prerequisite Justification:

A general knowledge of present value analysis, capital budgeting and cost of capital as well as financial planning concepts are required. These topics are covered in FINC 3511. In addition, a general knowledge of the concepts of accounting is needed. These topics are covered in ACCT 2101 and ACCT 2102, which are prerequisites to FINC 3511.

C. General Education (Core) Contributions:

The course uses the oral skills developed in COMM 1110 and the critical thinking and analysis abilities developed in mathematics. The knowledge gained in core area IV courses of ACCT 2101 and ACCT 2102 are used.

III. Expected Outcome: (<http://www.westga.edu/accfin/1676.php>)

A. Communicate effectively in oral presentations and in writing. (LG 1).

B. Improve research and analytical skills through analysis and presentation (LG 2, 3).

C. Understand the concepts of the theory of the capital structure and cost of capital of the firm (LG 2, 6).

D. Understand how to determine incremental cash flows (LG 2, 3, 6).

E. Understand and be able to apply the analytical techniques of capital budgeting to determine whether projects should be accepted or rejected (LG 2, 3, 6).

F. Apply statistical techniques to risk analysis as it applies to the budgeting process (LG 2, 3).

IV. Text:

Ross, Westerfield, and Jordan – Fundamentals of Corporate Finance, McGraw Hill, 11th edition, 2016. The ISBN-13 is 978-0077861704. You will need the textbook as part of every exam is open book and open notes. You will need the 11th edition as we use four chapters were not included in the 10th edition.

V. Special or Unique Student Materials:

A financial calculator with a "cash flow" button is highly recommended. Examples include the Hewlett Packard 10B, Texas Instruments BA II Plus, or Texas Instruments 83 (or any TI-80 series with the Finance add-in), or Sharp EL-733A). During Exams, you are not allowed to use any device with a “wireless” connection (e.g. smartphone, ipad, tablet, laptop, etc.) as a calculator.

VI. Special or Unique University Facilities:

Access to the Richards College of Business Computer Lab and CourseDen. The course webpage is at, http://www.westga.edu/~chodges/html/finc_4531.html.

VII. Expanded Description of the Course and Instructional Methods:

A. Expanded Course Description:

This course generally covers the same topics as those covered in FINC 3511. However, FINC 4531 covers the material with a much higher degree of rigor. Themes related to valuation, cash flow projection, principal-agent conflicts, and contingent claims analysis are recurring within the course. Students will learn both theory and advanced analytical techniques. Students are encouraged to integrate the various areas of finance into a coherent and holistic view of the firm. Students will have opportunities to improve their use of spreadsheets, calculators, and research techniques.

B. Instructional Methods:

1. Lecture, problem solving, and class participation. Topics are integrated into a complete theory of the financial structure of the firm. Problems are analyzed in class in discussion and informal case presentation and critique is used.
2. Corporate Analysis Project and Presentation. Each student will critically examine and prepare a written report on the global strategy of a corporation. The paper will include a basic financial analysis of the company, an examination of the capital structure, dividends, capital budgeting, agency issues, and the impacts of globalization. The corporate analysis project is detailed in a separate handout. This course has been designated as a “research course” for Business majors.
3. Quizzes. There are CourseDen quizzes available for each chapter covered within the course. Students are allowed multiple attempts per quiz, with the highest grade being used in grade calculations. Quizzes are generally available for more than two weeks. I will drop your lowest quiz score when computing your quiz average. Cooperation among students, when preparing for and completing the quizzes, is allowed. These quizzes will form the foundation of in-class exams. Short Extensions are available upon request.

VIII. Methods of Evaluating the Outcomes:

A. Evaluation Tools

Written extended Company analysis (Just do it)	10%
CourseDen Quizzes (KEY TO HIGH GRADE)	35%
Exam 1	15%
Exam 2	20%
Exam 3	20%

(I reserve the right to curve grades.)

B. Administrative Policies

1. Credit Hour Policy (3 credit hours): Students in this class will spend 3 hours (160 minutes) per week with faculty instruction (either face-to-face or online). Generally, students can expect to spend about six hours of class work outside of the classroom each week. This out-of-class work may include, but is not limited to, quizzes, reading the chapters before a topic is covered in class, assignments, individual project, research, and test preparation. The amount of out of class time required for a given outcome will vary by student.
2. Please carefully review the information at the following link: http://www.westga.edu/assetsDept/vpaa/Common_Language_for_Course_Syllabi.pdf. The document at this link contains important information pertaining to your rights and responsibilities in this class. Because these statements are updated as federal, state, university, and accreditation standards change, you should review the information each semester.

3. Information regarding test scores will not be given out over the telephone. If you are absent when exams are returned, you must contact me in person to receive grade information.
4. Requests for adjustments to exam scores must be made in writing within ONE WEEK of the return of the test. Only WRITTEN requests will be considered.
5. Attendance Policy:
 - a) **Regular Class Meetings:** You are expected to attend all class meetings. Attendance will be taken each class period; using a seating chart or sign up sheet (the seating chart helps me to learn everyone's name). Each absence, whether excused or unexcused, beyond the first will result in a 1-point reduction in your overall course average. If you miss more than five class sessions, you will be dropped from the class. Attendance is a zero sum game. All points deducted from students missing more than one class will be proportionally allocated to students missing two or fewer classes.
 - b) **Scheduled Exams:** Makeup exams will likely be more difficult than the scheduled exams and may include an oral portion. If your absence from an exam is not excused, you will receive a zero for that exam. If possible, please notify me in advance if you know you will be unable to take an exam at the scheduled time. In any event, you must notify me within two class days of the missed exam, or the absence will not be excused.
 - c) **General:** You are responsible for knowledge of any administrative announcements (test information, schedule changes, etc.) that are made at any time during scheduled class periods regardless of whether you attend. It is recommended that you make a reciprocal agreement with a classmate to share missed notes and other class information.
6. Code of Conduct: Honesty and integrity are necessary to the academic and professional functions of business. Acts of dishonesty undermine the basic foundation of the academic environment. Improper academic conduct on the part of students shall be interpreted to mean the obtaining and using of information during an examination by means other than those permitted by the instructor, including the supplying of such information to other students. All forms of academic dishonesty, including cheating, plagiarism, and falsification of academic records are subject to disciplinary action.

C. Learning Domains

1. Cognitive: Knowledge; comprehension; synthesis; analysis; evaluation.
2. Affective: Receiving; responding; valuing; organization; characterization.

MY.WESTGA.EDU

The policy of the University of West Georgia is that each student is responsible for checking his/her my.westga.edu e-mail account on a regular basis.

NOTE 1. This course covers the following AACSB perspectives:

- Influences of legal and regulatory issues
- Ethical issues
- Oral communication
- International issues
- Social issues

NOTE 2. This course covers the following teaching objectives:

- develops oral communication skills
- develops ability to do research
- develops problem solving (analytical) skills
- develops critical thinking
- encourages social responsibility
- provides depth in major

NOTE 3. I do not give extra credit and do not give credit for work done in other courses.

IX. Daily Course Outline:

Session 1(01/09) Course Overview and Introductions

Session 2(01/11) Chapter 1, Introduction

Session 3(01/16) Chapter 22, Behavioral Finance

Session 4(01/18) Chapter 22, Behavioral Finance

Session 5(01/23) Chapter 2, Financial Statements, Taxes, and Cash Flows, Chapter 1 Quiz Closes

Session 6(01/25) Chapter 2, Financial Statements, Taxes, and Cash Flows

Session 7 (01/30) Chapter 2, Financial Statements, Taxes, and Cash Flows

(01/31) Chapter 22 and Chapter 2 Quizzes close

Session 8(02/01) Exam 1

Session 9(02/06) Exam 1 Review and Chapter 12, Some Capital Market History

Session 10(02/08) Chapter 7, Valuing Bonds

Session 11(02/13) Chapter 8, Valuing Stocks

Session 12(02/15) Chapter 14, Weighted Average Cost of Capital

Session 13(02/20) Chapter 14, Weighted Average Cost of Capital

Session 14(02/22) Chapter 9, Capital Budgeting Methods

Session 15(02/27) Chapter 9, Capital Budgeting Methods

Last day to withdraw with a grade of W is February 28

Session 16(03/01) Chapter 9, Capital Budgeting Methods

Session 17(03/06) Chapter 9, Capital Budgeting Methods

(03/07) Chapter 9 Quiz closes

Session 18(03/08) Exam 2

Session 19(03/13) Exam 2 Review

Session 20(03/15) Chapter 10, Capital Budgeting Cash Flows

(03/20 and 03/22) Fall Break

Session 21(03/27) Chapter 10, Capital Budgeting Cash Flows

Session 22(03/29) Chapter 10, Capital Budgeting Cash Flows

Session 23(04/03) Chapter 11, Project Analysis and Evaluation

Session 24(04/05) Chapter 11, Project Analysis and Evaluation

Session 25(04/10) Chapter 11, Project Analysis and Evaluation

Session 26(04/12) Chapter 24, Options

Session 27(04/17) Chapter 24, Options, Chapter 10 Quiz Closes

Session 28(04/19) Chapter 25, Options and Corporate Finance

Session 29(04/24) Chapter 25, Options and Corporate Finance, Chapter 11 Quiz Closes

Session 30(04/26) Chapter 25, Options and Corporate Finance

(05/02) Chapter 24 and Chapter 25 Quizzes Close

Final Exam – May 3 from 2:00 pm - 4:00 pm

PLEASE NOTE: This schedule is tentative and could require modification.