



FIN 301: Corporate Finance Fall 2017 Course Syllabus

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Prerequisites:	ACCT 101 required; QUAN 204 recommended	Canvas:	http://canvas.dom.edu
Office Hours:	MWF (8:30am – 9:45am) W (4:00pm – 6:00pm) TR (3pm – 4:30pm) & by appt.	IT Help Email:	(708) 524.6888 helpme@dom.edu

Course Description: Corporate focuses upon decisions relating to how much and what types of assets to acquire, how to raise the capital needed to purchase assets, and how to run the firm so as to maximize its value. The same principles apply to both for-profit and not-for-profit organizations. Management’s primary goals should be to maximize the long-run value of the stock, which means the intrinsic value as measured by stock’s price over time. To maximize value, firms must develop products that consumer want, produce the products efficiently, sell them at competitive prices, and observe laws relating to corporate behavior.

Most business students may not plan to specialize in finance so they might think the “business finance” course is not relevant to them. All important business decisions involve every one of a firm’s departments, including marketing, accounting, and production. Capital budgeting decisions influence the firm’s products and profits and impact all employees, from the CEO to the mailroom.

Textbook and Required Calculator

Please purchase the textbook and the required calculator via our Canvas website.

1. Brigham & Houston, Fundamentals of Financial Management, 9th edition (concise)
2. BA II Plus Financial Calculator (required)

Brennan School of Business Mission

According to our mission, the Brennan School of Business provides experiential business education at the undergraduate, graduate, and executive levels. Our faculty members prepare students to advance their careers by combining both theory and practice within and beyond the classroom. Guided by the University’s core values of *Caritas et Veritas*, we develop ethically-minded leaders who create sustainable value for businesses and communities in a global society. We aspire for our students to become the innovative leaders in business education.

1. Appreciate the **ethical** foundation of effective long-run business decisions and promote social responsibility and ethical leadership in managerial decision-making. In this course, students will also explore finance during the great recession of 2007-2008 and the factors which led to this

- recession.
2. **Communicate** effectively in written and verbal formats. This course focuses on the not only the derivation of the numbers but on effectively communicating what the numbers mean. Throughout this course, students will learn how to interpret financial statement ratios and present values in everyday language (e.g., tables, graphs, and in words).
 3. Utilize **technology** and electronic learning to address business applications. Each chapter requires the use of the financial calculator and Excel to address business problems. The financial calculator selected is the currently required calculator for the CFA exam. The 2017 CPA exam now requires Microsoft Excel.
 4. Utilize quantitative and analytical methods as well as **critical thinking** skills in business applications. In this course, students will analyze cases and participate in group learning exercises to assess financial problems via mini-cases.
 5. Utilize a **global perspective** in the evaluation of contemporary business issues. Mini-cases and exercises present the tools used within multinational corporations to address business problems, including multinational working capital management and an overview of the functions of financial institutions.

Course Objectives

The primary objectives of this course are to build a basic finance foundation for professional career development and to provide preparation for future undergraduate business courses. Upon successful completion of this course, a student will be able to

1. Demonstrate the ability to analyze the financial health of a firm using financial statement analysis.
2. Forecast a firm's financial statements and value metrics, determining whether new capital should be raised.
3. Utilize various techniques (e.g., CAPM) to recognize relationships between perceived risk and required return, and how that relationship is impacted by uncertainty.
4. Analyze and calculate time value of money problems (e.g., loan amortization, annuities).
5. Apply basic models for valuing stocks, bonds, corporate projects, and an entire firm.
6. Measure the costs associated with financing firm investments and assess how those costs impact the value of firm assets.

Course Grading & Distribution

How is this Course Organized? The first class period will begin with covering the first chapter of the text and a review of basic math. Student-friendly videos will be available on Canvas, in addition to instructor help, to assist you through this course. Each class period is designed as follows:

1. Brief introduction of the class coverage. While the first course has a longer introduction and a syllabi review, the first 40% of the class will be spent covering key material with many practice problems. Students are encouraged to save their work in a binder or online for future reference in other classes.
2. The remaining 60% of the class will be spent working in teams on activities, practice problems, and cases with the instructor assisting you. Students will be expected to present answers at the board, as a team, or make a brief presentation at the end of the class on their findings.

Brennan faculty want students to succeed. To ensure students are prepared for class, students are expected to complete readings and complete a short pre-assignment. The first pre-assignment consists of a short tutorial on basic math applications (e.g., how to solve a basic equation) and basic Excel commands.

Your grade will consist of the following components:

<u>Item</u>	<u>Percentage</u>	<u>Grade</u>	<u>Percentage</u>
Canvas Readings	20%	A	94 -100
In Class Activities	10%	A-	90-93.9
Homework	10%	B+	87-89.9
Exam 1	20%	B	83-86.9
Exam 2	20%	B-	80-82.9
<u>Final Exam</u>	<u>20%</u>	C+	77-79.9
Total	100%	C	73-76.9
		C-	70-72.9
		D	60-69.9
		F	Below 60

Canvas Readings & Wall Street Journal Articles (Pre-Work)

Brennan faculty want students to succeed. To ensure students are prepared for class, students are expected to complete readings and complete a short pre-assignment. The first pre-assignment consists of a short tutorial on basic math applications (e.g., how to solve a basic equation) and basic Excel commands.

Remaining pre-assignments will consist of definitions, key concepts and reflect “how to” problems which demonstrate financial applications in real world settings. The pre-assignment only tests basic ideas and helps the instructor determine whether students are having difficulty with material prior to class. To receive a grade for assignment, students should complete the short assignment *prior to* coming to class. Students have unlimited attempts at the pre-assignment before class starts. As part of the pre-assignment, students are expected to find a financial topic in the *Wall Street Journal* or *Barron’s* or another reputable financial newspaper, and write a 1 page summary on their findings (standard margins, 12 Point Times New Roman font, single-spaced within paragraphs, double-spaced between paragraphs). Late assignments will only be accepted with prior instructor consent.

In Class Activities

During each class, students will work in teams, and with the instructor, to solve finance problems in practical, business settings. In-class activities, cases, and group learning exercises help students learn from each other and prepare students for future classes. These exercises introduce variety – and fun – into discussions. Students will have the ability to practice, practice, and practice! Late activities and mini-cases will only be accepted with prior instructor consent.

Homework:

Students are expected to watch video demonstrations PRIOR TO coming to class. Students may be asked to comment on a video via a discussion board or complete an assignment outside of class. As part of your homework, you will be assigned Assurance of Learning (AOL) projects. AACSB requires assessment of student work. The AOL assignment required for this course asks students to perform (1)

beta calculations and construct (2) NPV profile analysis and capital budgeting assessment. The AOL assignment will be administered in three parts:

1. Beta calculations: Students will be assigned two firms and expected to calculate beta from a regression. Students are expected to (1) send in their final Excel spreadsheet highlighting the beta calculation and (2) type a brief paper in Microsoft Word (12 pt Times Roman font) analyzing/interpreting beta.
2. NPV profile analysis and Capital Budgeting Assessment: Students will be given a case and asked to assess how sensitive NPV is to changes in the company's WACC. Students are expected to (1) send their final Excel spreadsheet highlighting sensitivity analysis and (2) type a brief paper in Microsoft Word (12 pt Times Roman font) analyzing results.

Exams

There are two exams and one final exam. You may bring the financial calculator and a one-page sheet of equations to the exam. The final exam is cumulative and the homework and pre-work are excellent ways to prepare for this exam. It will include multiple choice questions, applications, and short essays.

Course Grading & Planner

Week	Date	Course Planner	Assignments (see Canvas)
1	Aug 28 th	Introduction to Finance Chapter 1	
2	Sept 4 th	Financial Markets Chapter 2 Sept. 4th – LABOR DAY (NO CLASS)	In Class Activity 1
3	Sept 11 th	Financial Statements Chapter 3	In Class Activity 2
4	Sept 18 th	Analysis of Financial Ratios & Financial Planning Chapter 4 (select topics from Chapter 16)	In Class Activity 3
5	Sept 25 th	Time Value of Money Chapter 5	In Class Activity 4
6	Oct 2 nd	Exam One	
7	Oct 9 th	Interest Rates & Bond Valuation Chapter 6 & 7	In Class Activity 5
8	Oct 16 th	Risk & Return Chapter 8 Oct. 20th – 22nd – Long Weekend	In Class Activity 6
9	Oct 23 rd	Stocks & Valuation Chapter 9	In Class Activity 7
10	Oct 30 th	Cost of Capital Chapter 10	In Class Activity 8
11	Nov. 6 th	Capital Budgeting Chapter 11	In Class Activity 9
12	Nov. 13 th	Exam Two	
13	Nov. 20 th	Cash Flow Estimation Chapter 12 Nov. 22nd – 26th (Thanksgiving)	In Class Activity 10
14	Nov. 27 th	Capital Structure & Leverage	

		Chapter 13	
15	Dec. 4 th	Review for Final Exam	
16	Dec 11th	Final Exam: Monday, 8:00am – 10:00am Monday, December 11th	

Email and Technology

It is the student's responsibility to check his/her email regularly. The instructor strongly encourages communication via e-mail, especially when the student is having difficulty answering a question or solving an exercise or a problem. In order to help each student effectively, it is important to provide as much information as possible concerning the difficulty with the assignment.

How to Succeed in a Summer Finance Course

We all have heard how difficult it is for individuals to take control of their finances and how many individuals are not prepared for retirement. Understanding financial statements and best practices for investment seem very daunting. Many students are nervous about studying mastering the financial calculator. Couple that with five weeks of intensity, it is easy to see why students approach this course with trepidation. Although the responsibility for learning rests upon the student, all Brennan faculty are always available to provide assistance. This instructor is no exception! Don't panic! This course is organized to help you succeed. In order to be successful:

1. **Do the Pre-Work:** Read each chapter and do the homework slowly and on time. Block out 4-6 weekly hours in your calendar now, and do not schedule other appointments during your scheduled study time.
2. **Careful Studying:** Studying requires more than reading. Studying requires highlighting, margin notes, margin questions, review of lesson notes, and review of text material. Conscientious preparation of all written assignments is paramount to a successful experience. Take notes on points you do not understand or that you want clarified. Study in a quiet space.
3. **Practice, Practice, Practice:** Watch the lecture videos and participate in class and try to replicate those problems.
4. **Email:** Students must have a working email address, available to send and receive messages. Students must check their email on a regular basis, as this is one of our main forms of sending important messages concerning due dates, grades, assignments, etc.
5. **Due Dates:** Course material is broken into weekly segments. All assignments must be submitted each week by the due dates designated. Don't fall behind. Late assignments will not be accepted. If your classmates can work towards a deadline, you can too! That being said, in the event of a tragedy (e.g., loss of parent or spouse), documentation will be required.
6. **Speak and Listen:** Participate in class discussions with your classmates but do not monopolize the conversation. Allow everyone to speak and do so respectfully.
7. **Attitude:** Keep a positive attitude, take an active role in learning finance, and relate what you are learning to your daily life experiences.
8. **Assistance:** Ask for help but not fifteen minutes before class. Try to practice time management and work on assignments in advance. That way, we can recognize issues as they arise and deal with those issues quickly.
9. **Attendance:** In-class assignments are the way to gauge for attendance. Missing one class is missing a lot of material. Please try to attend all classes.
10. **Small Details and the Big Picture:** Five weeks will be over quickly. Do your best to understand the big picture as well as how the details contribute to that big picture.

Academic Integrity

All University policies are in effect as described in the Academic Dishonesty/Misconduct section of the current catalog. Presenting as one's own the words, ideas, or expression of another in any form is cheating through plagiarism.

1. If you are unsure what constitutes plagiarism, review the rules of original writing at the following web site: <http://owl.english.purdue.edu/>. This link provides valuable information, including examples about plagiarism.
2. To review some plagiarism tools available to students, take a look at Turnitin.com for guidance. This is posted on Canvas. Remember to always cite your sources and ask your instructor for help!
3. Here are two sites that may be of interest: <http://www.indiana.edu/~istd> and <http://www.plagiarism.com>.

Accommodations

If you require, or think you may require special accommodations for a condition or disability (e.g., learning disability, a chronic health problem, or a mental health condition), you are encouraged to arrange support services and/or accommodations through our Academic Enrichment Center and Disabilities Services staff. It is the policy and practice of Dominican University to make reasonable accommodations for students with properly documented disabilities. Written notification to Dominica's Disability Service staff is required. If you are eligible to receive an accommodation and would like to request it for this course, please discuss it with me within the first week of this course.