

FINC 4531 Intermediate Corporate Finance
Tuesday and Thursday; 3:30 – 4:45
Expanded Course Outline
Spring 2017

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Office: Adamson Hall - 205B
Office Hours: T&TH: 12:30-3:30 PM
W: 1:00-5:00 PM
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:

Emery, Finnerty, and Stowe – Corporate Financial Management, Wohl Publishing, 4th edition, 2011 or 2012. The ISBN-13 is 978-1935938002. You will need the textbook as part of every exam is open book and open notes.

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.
 - 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(01/10) Course Overview and Introductions

Session 2(01/12) Chapter 1, Introduction and Overview of Course

Session 3(01/17) Chapter 14 (pages 400-415) Agency Theory and Chapter 2 Concepts and Principles

Session 4(01/19) Chapter 2, Concepts and Principles

Session 5(01/24) Chapter 3, Accounting Cash Flows and Taxes

Session 6(01/26) Guest Speaker Lofton Spencer, Chapter 1 Quiz Closes

Session 7 (01/31) Chapter 3, Accounting Cash Flows and Taxes

(02/01) Chapter 2 and Chapter 3 Quizzes Close

Session 8(02/02) Exam 1

Session 9(02/07) Exam 1 review and Risk and Return Overview (pages 153-189)

Session 10(02/09) Chapter 5, Valuing Bonds

Session 11(02/14) Chapter 5, Valuing Stocks

Session 12(02/16) Chapter 8, Cost of Capital

Session 13(02/21) Chapter 8, Cost of Capital

Session 14(02/23) Chapter 16 and 17, Capital Structure Decisions, Chapter 5 Quiz Closes

Session 15(02/28) Chapter 16 and 17, Capital Structure Decisions

Last day to withdraw with a grade of W is March 2

Session 16(03/02) Chapter 16 and 17, Capital Structure Decisions, Chapter 8 Quiz Closes

Session 17(03/07) Chapter 18, Dividend Policy

Session 18(03/09) Chapter 18, Dividend Policy

Session 19(03/14) Chapter 18, Dividend Policy, Chapter 16 Quiz Closes

(03/15) Chapter 17 and Chapter 18 Quizzes Close

Session 20(03/16) Exam 2

(03/20-03/25) Spring Break

Session 21(03/28) Chapter 9, Business Investment Rules

Session 22(03/30) Chapter 9, Business Investment Rules

Session 23(04/04) Chapter 10, Capital Budgeting Cash Flows

Session 24(04/06) Chapter 10, Capital Budgeting Cash Flows

Session 25(04/11) Chapter 10, Capital Budgeting Cash Flows, Chapter 9 Quiz Closes

Session 26(04/13) Chapter 11, Capital Budgeting in Practice

Session 27(04/18) Chapter 11, Capital Budgeting in Practice

Session 28(04/20) Chapter 12, Options

Session 29(04/25) Chapter 12, Options, Chapter 10 Quiz Closes

Session 30(04/27) Chapter 12, Options, Chapter 11 Quiz Closes

(05/03) Chapter 12 Quiz Close

Final Exam – May 4 from 2:00 pm - 4:30 pm

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