

College of Business

TENNESSEE STATE UNIVERSITY

Spring 2013

FINA 4500 Corporate Finance Course Syllabus

The right to make revisions to this Syllabus is reserved by the professor.

LOCATOR INFORMATION:

Course Name: FINA 4500-01 Corporate Finance

Credit Hours: 3 Credit Hours

Meeting/Contact Hours: Monday, Wednesday: 2:40pm to 4:05pm, AWC 326

INSTRUCTOR: Dr. Dharmendra Dhakal
Office: AWC K418
Phone: 615-963-7345
E-mail: ddhakal@tnstate.edu **(I ONLY use this email)**

Office Hours:

Monday	1:00pm-2:30pm and 4:05pm – 5:30pm
Wednesday	1:00pm-2:30pm and 4:05pm – 5:30pm
Tuesday	2:25pm-5:30pm

REQUIRED TEXTBOOK & MATERIALS:

Course Materials and Tools:

- Required textbook:
Fundamentals of Corporate Finance Alternate Edition 9th Ed.with Connect
By Ross, Westerfield, and Jordan, McGraw-Hill
- Required calculator:
TI BAII financial calculator
- **On-line Assignments** (will be automatically graded by the system AFTER DUE DATE)

Register at Connect (<http://aplia.com/>) for this course

- **Prerequisites:**
FINA 3300 Business Finance

How to access your Connect course

student registration information

course

Corporate Finance

instructor

Dharmendra Dhakal

section

FINA 4500- SP2013

online registration instructions

Go to the following web address and click the "register now" button.

http://connect.mcgraw-hill.com/class/d_dhakal_fina_4500-_sp2013_1

This is a unique address for

FINA 4500- SP2013

Having trouble registering?

Get help here: <http://bit.ly/StudentRegistration>

REQUIRED CALCULATOR (TI BA II)

You are responsible for having a financial calculator **the first day** of the semester. A financial calculator is **REQUIRED** as it **will probably be impossible to pass the tests without one**. As you will

soon see, the ability to use a financial calculator is critical to success in the class. Calculators may not be shared during tests. Please make sure that you bring your calculator and extra batteries to each class and test. ONLY the **Texas Instruments BA II** calculator will be used. All steps to work various problems with it will be explained.

If you have an engineering or other technical background and have knowledge of a financial calculator other than **TI BA II**, you are responsible for learning how to operate your calculator within the first week of the semester and your calculator should be capable of solving for 1) Present value, 2) Future value, 3) Annuity payments, 4) Interest rate, 5) the number of time periods, 6) Net present value, and 7) the internal rate of return. However, using same calculator you can follow lectures most easily.

- I will **UPLOAD** related materials (PPTs) and handouts in your **MYTSU account**, and you can download them by yourself before coming to the class.

COURSE DESCRIPTION:

From Catalog: Optimizing sources and uses of funds, corporate asset and financial structure management and strategies and sophisticated techniques of analysis. Prerequisite: FINA 3300.

COURSE OBJECTIVES and LEARNING ENVIRONMENT:

This class is the second in the series of undergraduate business finance classes and **BUILDS** upon the issues and topics covered in the basic financial management class. The objective of this class is to introduce to students to advanced topics in corporate finance such as capital structure theory, dividend policy, and leasing. As this is the second class in business finance, it will be much more intensive than the first financial management class. Students will be expected to have read all the material before coming to class and be ready to discuss the various topics.

ACADEMIC INTEGRITY:

Academic honesty and integrity lie at the heart of any educational enterprise. Students are expected to do their own work and neither to give nor to receive assistance during quizzes and examinations. Deliberate violations of academic integrity (plagiarism, cheating, misrepresentation, and fabrication of information) are not tolerated. Actions outlined in the Tennessee State University Student Handbook under Code of Student Conduct will be followed for incidents of academic misconduct.

REASONABLE ACCOMODATIONS:

Any students requiring accommodations should contact Patricia Scudder, Director of Students with Disabilities—Disabled Student Services Office, at 963-7400, preferably before the fourth class meeting. The College of Business, in conjunction with the Office of Disabled Student Services, makes reasonable accommodations for qualified students with medically documented disabilities. I need to be aware of your status if it will affect your class activities and assignments---before assignments are due.

CODE OF STUDENT CONDUCT:

There will be no eating, drinking, sleeping or disruptive behavior in the classroom. Each student is encouraged to participate in classroom activities, ask questions, and work along with the class as recommendations/problem solutions to illustrations, examples, and cases are examined. Additionally, cell phones must be turned off upon entering the classroom and should remain so until class has ended. Action will be taken against those students who do not adhere to appropriate classroom behavior.

ATTENDANCE & LATE WORK:

Be on time; students who arrive late disrupt the discussion and diminish the learning process. If a student is not present, she or he cannot learn from unique thoughts and in sights of group discussion. **Attendance;** roll will be taken during each class meeting. With the understanding that “excessive absences” is defined as three missed classes, or the equivalent; a student may be reported for excessive absence from class.

Attendance, student participation, and enthusiasm are essential ingredients for success in this course. The classroom is an environment that must be conducive to active learning. You must to attend class regularly, read the assigned chapters before class and work relevant problems outside class. Failing to do so make it likely you will not master the material in this class required for future classes. You are responsible for obtaining any information that is given in class in the event you must miss a class.

TEACHING STRATEGIES:

This class meets TWICE a week for a total of 3 hours. In this course I will be introducing financial concepts, theory and its applications. I intend to mix my lectures with numerous examples on how to carry out the financial calculations using financial calculator.

ASSIGNMENTS & EVALUATION CRITERIA:

During the semester, we should have 6 quizzes (15 minutes each) and Couples of assignments

We will have 3 exams. All exams will be closed book and All three tests will be NON-COMPREHENSIVE, that is, questions on each test will be taken from chapters covered since the LAST TEST. **However, you can bring a note paper with relevant formulas and or KEY EQUATIONS (LETTER SIZE, ONE PAGE, ONE SIDE only)**. You must bring pens, pencils, erasers, and a calculator. Exam content will be based on problems and examples in the textbook and class handouts. Each test will have 20 to 25 multiple choice questions (conceptual and numerical problems).

Course Grade

Your overall course grade will depend on a combination of the following:

6 Quizzes (20 points per Quiz)	100 points
TEST 1(Ch1,2,3,5 &6)	100 points
TEST 2(Ch 7,8,9 & 15)	100 points
TEST 3(Ch 16,17 &27)	100 Points
Homework(Connect)	100 Points
Assignments	50 Points
Class Participation	50 Points
Total	600 Points

Grading Scales:

Your total possible score (600 points) = your percentage score (100%)

90 % and above	A
80 % to 89.9 %	B
70 % to 79.9 %	C
60 % to 69.9 %	D

***** Do not anticipate any further grade adjustments.**

COURSE OUTLINE AND TEST SCHEDULE:

To limit the course to manageable length, I will skip some sections in various chapters. While deviations will occur, I intend to follow the topics as follows:

Week	Date	Topic
1	<u>Jan. 21</u> 23	MLK Holiday Review Syllabus and <u>Connect Finance</u> Registration

2	<u>Jan.</u> 28 30	Ch 01 – Introduction to Corporate Finance <i>Balance Sheet Model of the Firm, Capital Structure, Legal Forms of Business Organization—Sole proprietorship, Partnership, and Corporation, Goals of Financial Management, Agency Problems</i>
3	<u>Feb.</u> 4 6	Ch 02 – Financial Statements, Taxes, and Cash Flow <i>Balance Sheet, Income Statement, Taxes, Cash flow.</i>
4	<u>Feb.</u> 11 13	Ch 03 – Working with Financial Statements <i>Standardizing Statements: Common -Size Balance Sheets & Income Statements</i> <i>Ratio Analysis: Liquidity, Asset Management, Profitability, Market Value, Du Pont Identity, Financial statement information</i>
5	<u>Feb.</u> 18 20	Ch 05 – Introduction to Valuation: The Time Value of Money <i>FV & Compounding, PV & Discounting, more about FV &PV</i> Ch 06 – Discounted Cash Flow Valuation <i>FV&PV of multiple cash flows, Compounding Periods, APR & EAR, Perpetuity, Growing Perpetuity, Annuity, Growing Annuity, APR & EAR,</i>
6	<u>Feb.</u> 25 27	Ch 06 – Discounted Cash Flow Valuation <i>FV&PV of multiple cash flows, Compounding Periods, APR & EAR, Perpetuity, Growing Perpetuity, Annuity, Growing Annuity, APR & EAR,</i> TEST 1(Ch1, 2, 3, 5 &6)
7	<u>March.</u> 4 6	Ch 07 – Interest Rates and Bond Valuation <i>How to value Bonds: Pure Discount Bonds, Level Coupon Bonds, Consols,</i> <i>Interest rates and Bond prices, YTM, Bond Market</i> <i>Term structure of interest rates</i>
8	<u>March.</u> 11 13	No Class, Spring Break
9	<u>March.</u> 18 20	Ch 08 – Stock Valuation <i>Valuation of Different Types of Stocks: Zero Growth, Constant Growth, Differential Growth</i> <i>Types and features of Stocks, Stock Market</i>
10	<u>March.</u> 25 27	Ch 09 – Net Present Value and Other Investment Criteria <i>NPV, IRR, Payback, Discounted Payback, Average Accounting Return, Profitability Index</i>
11	April 1	Ch 15 – Raising Capital <i>Public Issue, Alternate Issue Methods, Underwriter, Underpricing,</i>

	3	<i>Costs of New Issues, Rights</i>
12	<u>April 1</u> 3	TEST 2 (Chapters 7, 8, 9 & 15)
13	<u>April 8</u> 10	Ch 16 – Leverage and Capital Structure Policy <i>The effect of Leverage, Capital structure and the cost of equity, MM Propositions I & II, Effect of Taxes, Financial Distress Costs, Integration of Tax Effects & Financial Distress costs, Pecking Order Theory</i>
14	<u>April 15</u> 17	Ch 17 – Dividends and Payout Policy <i>Different Types of Dividends, Irrelevance of Dividend Policy, Real World Factors Favoring Low Dividend Policy, Real World Factors Favoring High Dividend Policy, Clientele Effect</i>
15	<u>April 22</u> 24	Ch 27 – Leasing <i>Types of Leases, Accounting & leasing, Taxes & leases, Cash Flow of Leasing, Lease versus Buy Decisions, Reasons for Leasing</i> Review
16	<u>April 29</u> <u>May 1</u>	Review
16	8	FINAL Test (Ch16, 17 & 27)

Final Exam
Good Luck