

FIN 330 / BFIN 3321: CORPORATE FINANCE

COURSE TITLE & NUMBER: CORPORATE FINANCE - FIN 330
COURSE DATES: FALL 2019, PROFESSOR: SUSAN HUME PH.D.
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OFFICE ADDRESS: EUROPEAN STUDY CENTER

COURSE DESCRIPTION

This course deals with processes that influence a firm's value. You will develop essential analytical skills for making long-term corporate investment and financial decisions. You will learn intermediate level financial management concepts to evaluate corporate projects and investment decisions in a global world. In this course you will examine the basics measures of capital investment, understand how a firm manages long-term assets and liabilities under uncertainty, and estimate the firm's cost of capital. This course combines theoretic concepts with real-world problems and cases.

4 credits; Prerequisites- FIN 201(required), ACC 201(strongly recommended)

COURSE MATERIALS

Course Web Site: Canvas (Electronic Blackboard made available to all)

Required Textbook: Intermediate Financial Management by Brigham and Davies, 13th edition, Thompson, print or e-book

Excel and Financial calculator – You will use Microsoft Excel to complete the course projects and assignments. A financial calculator is most helpful for this class. You may find investopedia.com online calculator acceptable as well.

Other resources –Selected articles and cases from newspapers, books, and Journals, etc.

COURSE PURPOSE & LEARNING GOALS

This course covers the long-term financial decisions that a firm makes.

By the end of this course, you should be able to:

1. Measure risk associated with an investment, including variance, covariance and correlation
2. Use the capital asset pricing model to determine a stock's required rate of return
3. Value bonds with different characteristics

4. Make capital budgeting decisions, including comparing those with unequal lives and those with capital rationing
5. Understand models to value a firm's value: Discounted Free Cash Flow; Market Multiples; Dividend Discount; and, Adjusted Present Value
6. Evaluate a firm's decision to pay dividends, including computing a dividend payout ratio

COMMENT ON 4TH-HOUR REQUIREMENT

Changes in the market value of public companies are mainly driven by investors' perception of a firm's expected performance. Many of these views are formed by quarterly earnings announcements and investor earnings calls. As a corporate finance intern, you will follow Earnings Calendars of firms and macro-economic announcements regularly through weekly written journal entries. Your performance on these are included in your homework grade.

COURSE ASSIGNMENTS

Assigned problems: Throughout the semester you will be assigned to work on end-of-the-chapter problems and cases. Your solutions are to be shared with your classmates on the Discussion Board of Canvas.

Project: In this project, you will assume the role of consultant and apply the concepts from class to a corporate finance business decision. There will be detailed instructions on this project in Week 3.

For this project, you will produce two deliverables: a presentation and a report. You will present your results to the client (me) on the second to the last class. Your presentation will include slides to support your findings. Your presentation will be evaluated based on clarity, content and professionalism. In addition, you will provide a written report to your client. This report will include an executive summary highlighting your recommendations and more details to support your recommendations.

This project is an important component to complete the course successfully. **Students are strongly encouraged to work on the project throughout the semester and consult with the instructor.**

Two Exams: **Make-ups will not be given**, and absences will be excused only in the most extreme circumstances. If you are unable to take an exam at the scheduled time, you must notify me in advance. **Failure to provide advance notice will result in a zero on the exam.** You will have to provide written documentation for an absence. **Failure to take any exam will result in "zero" for the overall exam score.**

TCNJ's final examination policy is available on the web:
<http://policies.tcnj.edu/policies/digest.php?docId=9136>

Due Dates: All due dates are FIRM. For each day that an assignment is late, your grade will be reduced by 10 percentage points (per day). For example, if your paper is two days late, a paper otherwise worthy of 94 points will receive 74 points (i.e. 94-20).

COURSE SCHEDULE*

Week	Month	Day	Topic	Chapter
1	Sep.	30	Course Overview; Time Value of Money; Corporate Governance	1, 28,10
2	Oct.	7	Risk and Return I	2
3	Oct.	14	Risk and Return II; Team Project 1 Assigned	3
4	Oct.	21	Bond Valuation and Risk	4
5	Oct.	28	Accounting Statements and Cash Flow; Team Project – Part 1 Due	6
6	Nov.	4	Financial Statement Analysis; Exam Review ; Team Project – Part 2 Assigned	7
7	Nov.	11	Midterm Exam	8
8	Nov.	18	Stock Valuation	8, 11
9	Nov.	25	Capital Budgeting	12,13
10	Dec.	2	Capital Structure; Team Project 2 Due	16, 17
11	Dec.	9	Dividend Policy and Share Buybacks; Final Exam	5

***Topics and details of each lecture are tentative and subject to change. Some topics may be added or deleted from the list. There is a fall break scheduled during this term.**

ACTIVE PRESENCE/ CLASSROOM CONDUCT

Students are expected to attend all classes on time, to read assigned material before class, and to submit all homework on time. Attendance and active classroom participation are required of each student. At all times, in class and group discussions, students are expected to respect contributions, questions and opinions of others. Demeaning others in anyway is not acceptable.

Your active participation in the weekly face-to-face classes, as well as the online components of this course is essential. **Students are responsible for keeping up with information posted on the Canvas class webpage in a timely manner including quizzes, exams, projects, assignments and announcements.** There maybe an occasional pop quiz to verify whether you have read the assignments before class.

SCHOLASTIC DISHONESTY

You are expected to do your own academic work and cite sources as necessary. Failing to do so is scholastic dishonesty. Scholastic dishonesty means plagiarizing, cheating on assignments or exams; engaging in unauthorized collaboration on academic work: taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; altering, forging, or misusing a university record; or fabricating or falsifying data, research procedures, or data analysis.

If it is determined that a student has cheated, he or she may be given an “F” for the course and may face additional sanctions from the Study Center.

INSTRUCTOR AVAILABILITY

Students are strongly encouraged to meet me at my office at the ESC or email me anytime. I will respond to your emails within two business days. Students are responsible for keeping up with information posted on the Canvas class webpage in a timely manner.

GRADING

<u>Assignment</u>	<u>Percentage*</u>
Midterm	20%
Final Exam	30%
Team Excel Project 1	20%
Team Excel Project 2	20%
Homework and Class Participation	10%

* The instructor may make an adjustment, if necessary.

Final grade will be the weighted average of all assignments. No rounding up will be used. Final grade in the course will be determined as below:

A = 93-100%, A- = 90-92, B+ = 87-89, B = 83-86, B- = 80-82, C+ = 77-79, C = 73-76, C- = 70-72, D+ = 67-69, D = 60-66, F = <60

TCNJ SERVICES

Online Writing Lab: an online writing help system provided by Humanities & Social Sciences Tutoring Services. You can ask questions and have them answered by a certified writing tutor and gain access to some of the best writing resources available on the web. For more information, visit: <http://www.tcnj.edu/~tutoring/humanities/owl.html>

TCNJ Library: <http://library.tcnj.edu>

SELECTED POLICIES

Writing Policy

Because writing is a fundamental business skill, your grade for each assignment will reflect, among other things, your ability to write, even for assignments with minimum writing. Feedback on your writing will be provided as deemed necessary and, if your writing needs improvement, you should seek help from the Writing Center at <http://tutoringcenter.pages.tcnj.edu/humanities/writers-place/>, visit the School of Business website for more information at <http://business.pages.tcnj.edu/resources/business-students/writing-analyzing-presenting/writing/> or seek help from someone who writes well, or some other writing source. The responsibility to write well is yours. My responsibility is to hold you accountable for how well you write. Poor writing will be reflected in your final grade.

Attendance

Every student is expected to participate in each of this course through regular attendance at class and cultural visits. It is further expected that every student will be present, on time, and prepared to participate when scheduled class sessions begin. While attendance itself is not used as a criterion for academic evaluations, grading is frequently based on participation in class discussion, field and cultural experiences, or other activities which may take place during class sessions. If these areas for evaluation make class attendance essential, the student may be penalized for failure to perform satisfactorily in the required activities.