

**Finance**  
**Course Number: 29:390:330**  
**Course Title: Corporate Finance**

## COURSE DESCRIPTION

An in-depth study of corporate finance concepts and how they are applied in practice. The course will consist of lectures, homework assignments, case studies, guest speakers and exams. Lectures will introduce specific finance concepts. Homework and exams will reinforce understanding of concepts. Case studies will apply concepts to real world situations. Guest speakers will highlight personal experience with concepts and application.

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## COURSE MATERIALS

1. **Textbook (OPTIONAL):** Fundamentals of Corporate Finance, by Ross, Westerfield, and Jordan, McGraw Hill. You can use the digital version, an older version or this current version. *Digital version:* If you encounter any issues registering for Connect, support is available at [1-800-331-5094](tel:1-800-331-5094) or <http://mpss.mhhe.com/>
  2. **Course Packet (MANDATORY):** Purchase at <https://hbsp.harvard.edu/import> . This case is mandatory. There may also be articles and primers, available for purchase, noted as “optional” in the course pack for additional background.
  3. **Microsoft Excel (MANDATORY):** Other spreadsheet programs/applications do not provide the same flexibility and ease of use as excel. Student rates available at [software@rutgers.edu](mailto:software@rutgers.edu).
  4. **Website (MANDATORY):** <http://canvas.rutgers.edu>. Lecture slides, in-class excel problems (and solutions), syllabus and other information will be posted. YOU ARE RESPONSIBLE for downloading all class materials, handouts, and readings for a session.
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## LEARNING GOALS AND OBJECTIVES

Corporate Finance will provide students with practical experience in solving finance issues typically encountered in investment banking and the CFO’s office through lecture, case study and excel-based lessons. On successful completion of this course, students should understand corporate policies and actions, such as capital structure, firm valuation, and mergers and acquisitions. Specifically, students

will demonstrate an understanding of the impact of leverage on the cost of capital, payout policy, the impact of taxes and agency costs on firm value, and issues related to control of the firm. Lastly, students should demonstrate ethical awareness and the ability to think critically and deal successfully with unstructured problems.

During this semester, student will:

1. Appreciate the importance of finance in key decision making throughout a corporation.
2. Practice excel skills, including formatting and computation, using it as an iterative tool vs a simple calculator.
3. Analyze financial statements and the industry specific drivers for financial and operational success.
4. Budget and project future P&Ls based on historical financials, adjusting for 1-time and extraordinary items.
5. Review time value of money as it applies to valuation of stocks and bonds and overall company value as well as risk, return and cost of capital.
6. Value companies and projects using discounted cash flows, as well as payback, IRR, breakeven and comparable company analyses.
7. Understand how companies evaluate leverage and capital structure in their financing decisions and calculate the impact on valuation when capital structure changes.
8. Learn how companies evaluate payout policy decisions and analyze the impact to company profitability, ownership and valuation
9. Understand the rationale and valuation of mergers and acquisitions.

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## PREREQUISITES

21:355:101(English Composition I); 21:355:102(English Composition II); 21:220:101(Intro to Econ-Micro); 21:220:102(Intro to Econ-Marco); 21:220:231(Statistical Methods (or) 21:640:211(Statistics)); 29:010:203(Financial Accounting); 29:010:204(Managerial Accounting); 21:640:119(Basic Calculus).

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## ACADEMIC INTEGRITY

*I do NOT tolerate cheating.* Students are responsible for understanding the RU Academic Integrity Policy (<http://academicintegrity.rutgers.edu/>)

I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I will screen all written assignments through *SafeAssign* or *Turnitin*, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See [business.rutgers.edu/ai](http://business.rutgers.edu/ai) for more details.

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## **ATTENDANCE AND PREPARATION POLICY**

- Expect me to attend all classes, unless otherwise noted. If I am unable to attend class, I will send you an email and post an announcement on Canvas, as soon in advance as possible.
  - Students are expected to attend all classes. If you are to be absent, report your absence in advance at <https://sims.rutgers.edu/ssra/>. If your absence is due to religious observance, a Rutgers-approved activity, illness, or family emergency/death, also send instructor email with full details and supporting documentation.
  - For weather emergencies, consult the campus home page. If the campus is open, class will be held.
  - Expect me to arrive on time for each class session. I expect the same of you.
  - Expect me to prepare properly for each class session. I expect the same of you. Complete all background reading and assignments. You cannot learn if you are not prepared.
  - Expect me to participate fully in each class session. I expect the same of you. Stay focused and involved. You cannot learn if you are not paying attention.
  - Expect me to answer your questions and engage in open discussion. I expect the same of you. You will be “cold-called” from time to time.
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## **CLASSROOM CONDUCT**

Students are responsible for everything that is detailed on Canvas, listed in the syllabus, announced electronically or in class, and presented or discussed in class. Students are responsible for all work missed during an absence. There is **NO LATE WORK** accepted.

In addition, attendance and participation may be a component of your final grade. You need to be actively engaged in class in order to learn and perform well. You will not succeed by simply showing up. To create an optimal learning environment, please adhere to the following:

1. Instructors, TAs, students and guest speakers will acknowledge and respect each other and the related comments/discussions.
2. Arrive on time for each class session.
3. Remain for the entirety of each class session. Do not pack up early.
4. Bring your namecard and display during every class.
5. Avoid disruptions during class such as private conversations, use of a cell phone (turn off before class), using a laptop for something other than current classroom work, and sleeping/snoring.
6. Eating/drinking (non-alcoholic) is permitted, especially if it keeps you awake. However, be careful not to spill on your laptop!
7. Be engaged. Participation is required and essential to the quality and depth of learning of the entire class. The more prepared the class is, the more lively the discussion, the more everyone will learn from each other.
8. Expect to be “cold-called.” It keeps students engaged and indicates to instructor the level of understanding of materials currently being discussed/presented.
9. Bring to class daily:

- |                            |                          |
|----------------------------|--------------------------|
| (1) Namecard               | (4) Brain                |
| (2) Laptop                 | (5) Positive attitude    |
| (3) Assignments/ Cases due | (6) Willingness to learn |

## EXAM DATES AND POLICIES

There are (2) exams in this course:

- Midterm exam: () during class ()
- Final exam & end of year assessment: location TBD
- 65% of overall course grade
- Exams are closed book. You will be able to use excel but no other programs will be permitted. You will also be given 1 pre-printed page of formulas.
- No cell phones will be permitted.
- Alternate seating if classroom permits – do not sit next to another student or in your usual seat.

## GRADING POLICY

Course grades are determined as follows:

Course grades are determined as follows:		Grade	distribution	as
Midterm exam	30%	A	90 - 100%	follows:
Final exam	35%	B+	87 - 89%	
HW problem sets	20%	B	80 - 86%	
In-Class “Pop” Assign	12%	C+	77 - 79%	
Participation	3%	C	70 - 76%	
		D	60 - 69%	
		F	< 60%	

All assignments and points are posted on Canvas with the exception of participation, which will be assigned at the end of the semester. *Each 100 points = 1% of your overall grade.*

1. **Exams:** Exams must be completed *INDIVIDUALLY* during the designated exam time (see schedule on next page). You may use excel and/or a financial calculator to complete.
2. **Homework (HW)\*:** Please submit through ‘Canvas’, unless otherwise noted. You can work on with others, but you must submit *INDIVIDUALLY*.
3. **In class “pop” assignments\*:** These will be given during class without notice. There are no makeups for missed assignments.

4. **Class Participation & Attendance:** You must come to class to learn as the lectures are very detailed. Additionally, if your name is called at random to answer a question (cold-called) and you do not respond, your participation grade will be reduced. If you are distracting the class by using your computer or phone for non-class purposes, your participation grade will be reduced. No late assignments will be accepted, and no partial credit will be awarded, as we discuss the assignment in class when due.
5. There is no extra credit.
6. The final grade will be determined based on the aggregated score of all of the above categories. Your final grade is not negotiable. If you feel a calculation error was made, please submit your request in writing to me within one week of receiving your final grade. Grades will be adjusted only if a calculation error has been made.

*\*All due dates are tentative and subject to change.*

### **COURSE OUTLINE/SCHEDULE:**

(Tentative Schedule) –

Date	Topic	Text Chpt	Due	Date	Topic	Text Chpt	Due
()	Intro	1		()	Excel Day #1	Excel Online Prep Course (Optional)	
()	Excel Day #2			()	Financial Stmt Analysis & Review	2-3	<b>HW #1 Due: Excel</b>
()	Financial Stmt Analysis & Review	2-3		()	In Class Case: CSI Fin Statements	2	<b>HBS Case: CSI Fin Stmt HW#2 Due: Fin Stmt</b>
()	Budgeting Day #1	4		()	Budgeting Day #2	4	
()	PV & FV - Day #1	5-6	<b>HW#3 Due: Budget</b>	()	PV & FV - Day #2	5-6	
()	<b>No Class</b>			()	Valuing Bonds	7	<b>HW #4: TVM</b>
()	Valuing Bonds	7		()	Valuing Stocks	8	<b>HW #5: Bonds</b>
()	Midterm Review			()	<b>Midterm</b> ()		
()	Valuing Stocks (comps)	8		()	<b>"Day in the Life" Panel</b>		<b>MANDATORY CLASS HW #6: Stocks</b>
()	Valuation - NPV, IRR & Payback	9		()	Cost of Capital/WACC/CAPM	13-14	<b>HW #7 Due: Valuation</b>

( )	Leverage & Fin. Decisions	13-14		( )	Leverage & Fin. Decisions	16	<b>HW #8: Cost of Capital</b>
( )	Leverage & Fin. Decisions	16		( )	Payout Policy	17	
( )	M&A	26	<b>HW #9: Lev &amp; Fin Decision</b>	( )	<b>No Class Thanksgiving</b>		
( )	M&A	26	<b>HW #10: Payout Policy</b>	( )	Entrepreneurship Conclusion		
( )	Last Day of Class Review Session			( )	<b>FINAL EXAM</b>		<b>Room TBD</b>
				( )			

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## SUPPORT SERVICES

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at [ods.rutgers.edu](http://ods.rutgers.edu).

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email [dsoffice@echo.rutgers.edu](mailto:dsoffice@echo.rutgers.edu)]

[Rutgers University-Newark ODS phone (973)353-5375 or email [ods@newark.rutgers.edu](mailto:ods@newark.rutgers.edu)]

If you are *pregnant*, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email [jackie.moran@rutgers.edu](mailto:jackie.moran@rutgers.edu)]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email [TitleIX@newark.rutgers.edu](mailto:TitleIX@newark.rutgers.edu)]

If you seek *religious accommodations*, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email [deanofstudents@echo.rutgers.edu](mailto:deanofstudents@echo.rutgers.edu)]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email [DeanofStudents@newark.rutgers.edu](mailto:DeanofStudents@newark.rutgers.edu)]

If you have experienced any form of *gender or sex-based discrimination or harassment*, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: [https://cm.maxient.com/reportingform.php?RutgersUniv&layout\\_id=7](https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7) . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at [TitleIX@newark.rutgers.edu](mailto:TitleIX@newark.rutgers.edu). If you wish to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email [run.vpva@rutgers.edu](mailto:run.vpva@rutgers.edu)]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu> .

If you are a military *veteran* or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of *mental health* services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of *physical health* services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of *legal* services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to *English as a second language (ESL)* should contact the Program in American Language Studies for supports.

[Rutgers–Newark: [PALS@newark.rutgers.edu](mailto:PALS@newark.rutgers.edu)]

[Rutgers–New Brunswick: [eslpals@english.rutgers.edu](mailto:eslpals@english.rutgers.edu)]

If you are in need of additional *academic assistance*, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>]

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]