

Finance
Course Number: 33:390:440
Course Title: Advanced Corporate Finance

COURSE DESCRIPTION

This course uses a combination of the case study method, traditional lecturing, and primary research in order to explore the interaction between business and financial strategy. Students will also explore the drivers of profitability and liquidity, and gain an increased understanding of valuation, and how to present financial data. The course will also have a strong soft-skill and ethics component.

COURSE MATERIALS

Required Cases and Software:

Harvard Cases - See the schedule of cases below. The cases can be purchased at <http://harvardbusinessonline.com>. I may not use all of the cases, so please do not download them all at one time. Instead, download them as they are assigned.

Recommended Textbooks and Materials: *Analysis for Financial Management*, by Robert, C. Higgins, Richard D. Irwin, Inc., 1992. Any edition is fine – even a very early edition.

This book is the best short reference on financial management that I've ever read. For those of you with shaky finance or accounting skills, this book will be a lifesaver. The readings in the class schedule are not required, but they are strongly recommended.

LEARNING GOALS AND OBJECTIVES

1. **Knowledge.** - This course is designed to help students develop skills and knowledge in the area of business valuation (particularly through the use of Excel), critical thinking, the ability to solve complex and unstructured problems, and understanding and being able to apply advanced topics in the area of corporate finance; especially as these concepts relate to the nexus of business and financial strategy.
2. **Ethical judgment.** The course has a strong ethics component. One of the course's goals is to help prepare students to use reasoned and ethical judgment when analyzing problems and making decisions. Students will be able to recognize ethical dilemmas in unstructured business decision making scenarios, critically evaluate them, and arrive at creative ethical solutions.
 - b. recognition of ethical dilemmas in unstructured business decision-making scenarios.

3. **Global perspective.** Although the course is not an international business course, it does introduce some international business concepts; especially in the context of cross cultural ethics and negotiation. Several of the cases have an international focus.

4. **Effective Communication.** Students will demonstrate the ability to construct and deliver clear, concise, and convincing written and oral business communications by preparing executive summaries, written case evaluations, and by presenting their cases in a classroom setting.

PREREQUISITES

Fin 300 Financial Management

Fin 400 Corporate Finance

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 for more details.

ATTENDANCE AND PREPARATION POLICY

- Expect me to attend all class sessions. I expect the same of my students. If I am to be absent, my department chair or I will send you notice via email and Canvas as far in advance as possible. If a student is to be absent, report the absence in advance at <https://sims.rutgers.edu/ssra/>. If the absence is due to religious observance, a Rutgers-approved activity, illness, or family emergency/death and the student seeks makeup work, the student should also send me an email with full details and supporting documentation [within three days of your first absence].

- For weather emergencies, consult the campus home page. If the campus is open, class will be held, unless there is an emergency on my end, in which case I will notify everyone by email at least three hours prior to the start of class.

- Expect me to arrive on time for each class session. I expect the same of my students. If a student is going to be tardy, then they should quietly enter the room and make their way to the back of the classroom so as not to disturb the other students.

- Expect me to remain for the entirety of each class session. I expect the same of my students. If a student is going to leave early, then they should please let me know at the beginning of class, so that I can seat them near an exit and minimize any class disruptions.

- Expect me to prepare properly for each class session. I expect the same of my students. Students should complete all background reading and assignments. The minimum expectation is that for each three-hour class session, a student should have prepared by studying for at least twice as many hours.
 - Expect me to participate fully in each class session. I expect the same of my students. Stay focused and involved. Laptops in the classroom are for note-taking, not surfing the web.
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CLASSROOM CONDUCT

I expect students to conduct themselves professionally at all times in my class. Students must be respectful of others and of sometimes extremely differing points of view, that may sometimes even seem offensive. That doesn't mean that students have to agree with each other, but they do have to give each other the opportunity to present their views in a safe, professional, and unthreatening venue. Disrespectful students will be asked to leave my classroom.

Drinking non-alcoholic beverages is permitted in classroom, provided that the classroom rules at RBS allow such things, and that the drink isn't so aromatic or you are so noisome as to be distracting to your classmates. A simple gage is that if your neighbor can smell it, then it doesn't belong in my classroom. Food of any sort is prohibited in classrooms. Your classmates probably don't want to smell your food or watch you eat, and neither do I. Please eat either before or after class.

GRADING POLICY

The grading structure will be as follows:

Case Write ups/Homework	10%
Hourly #1	25%
Hourly #2	40%
Midterm Case	15%
Capstone Case	10%

The class will organize itself into groups with two members per group. Alternately, students may work independently if they so choose. Students are to assume the role of corporate analysts who are presenting their recommendations to their client's board of directors.

Grade distribution

Your final grade will be a weighted average of the grading scheme delineated in the grading policy section. Your final grade will be based on the following grid. I will rigidly adhere to the grading scheme, so please don't ask me to "bump" you up to an "A" if you are at 89.9: that is a B+. **Note, that the Department of Finance and Economics has a target grade point average of 3.0 for all undergraduate finance courses, where an A=4, B+=3.5, B=3, C+=2.5, C=2, D+=1.5, D=1, and F=0.**

Range	Grade
90-100	A
$90 > x \geq 87$	B+
$87 > x \geq 80$	B
$80 > x \geq 77$	C+
$77 > x \geq 70$	C
$70 > x \geq 67$	D+
$67 > x \geq 60$	D
$60 > x$	F

Case Write-ups: Students will work in groups (or on their own should they prefer to work solo) to solve cases and will submit – as a group – **a typed, double-spaced** case write-up for each of the assigned cases. Points will be deducted from your grade if the submission is not typed and double spaced. Students that do not submit case write ups will receive a grade of zero for the missed write up. There are no “make up” case write ups. You have once chance, so please turn them in on time.

Hourly Exams: The two hourly written exams will be completed individually in class. I do not give make up exams unless you have a university approved absence; in which case, you will need the written approval of Dean (). Note, going to a super day or a job interview is NOT an excused absence, and neither is going on a cruise with your parents.

Midterm Case: The midterm case will be a living case and will be completed in groups. Students will be assigned individual grades based upon the group’s overall performance and these grades will be adjusted up or down depending up the student’s individual contribution to that performance.

Capstone Case: The capstone case is a group assignment to be handed in on the last day of classes. Students will be assigned individual grades based upon the group’s overall performance and these grades will be adjusted up or down depending up the student’s individual contribution to that performance.

During exams, the following rules apply:

- If you have a disability that influences testing procedures, provide me an official letter from the Office of Disability Services at the start of the semester.
- No cell phones or other electronic devices are allowed in the testing room, unless expressly permitted by the instructor. Financial Calculators and the use of laptops with EXCEL only are acceptable.
- You must show a valid Rutgers photo ID to enter the room and to turn in the exam.
- Use the bathroom prior to the exam start; bathroom breaks, if essential, will be escorted.
- Your exam will not be accepted unless you sign the Honor Pledge.
- My written exams are closed book. Note sheets and crib notes are not permitted. The use of such tools constitutes cheating.

Your final grade is not subject to negotiation. If you feel I have made an error, submit your written argument to me within one week of receiving your final grade. Clarify the precise error I made and provide all due supporting documentation. If I have made an error, I will gladly correct it. I will adjust grades only if I have made an error. I cannot and will not adjust grades based on consequences, such as hurt pride, lost scholarships, lost tuition reimbursement, lost job opportunities, or dismissals. Do not ask me to do so. It is dishonest to attempt to influence faculty in an effort to obtain a grade that you did not earn, and it will not work.

COURSE SCHEDULE

Tentative Schedule/The order may change depending on the availability of guest speakers. I will announce the case assignments two weeks before they are due.

Harvard #	Case/Assignment
Lecture	Financial Statement Analysis
Higgins	Chapter 1-4
297-028	Clarkson Lumber Company
295-073	Toy World
Higgins	Chapter 6
280-020	Tandy Corporation*
Higgins	Chapter 7
283-053	Hospital Corporation of America
282-043	Massey Ferguson
Higgins	Chapter 8
Lecture	Valuation DCF/Unlevered Free Cash Flow
292-011	Pioneer Petroleum Corporation
Higgins	Chapter 9
Lecture	Risk and Return/WACC/Unlevering Beta
396-156	Luna Pen
274-110	Southport Indonesia*
Lecture	Comparable Analysis
293-084	Eskimo Pie Corporation

Cases marked with an (*) are out of print. There is no need to pre-read them.

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.

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

[Rutgers University-Newark ODS phone (973)353-5375 or email 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]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email 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]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email 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 . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at 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]

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]

[Rutgers–New Brunswick: 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.]