

Syllabus for BUSI 408-001: Intro to Corporate Finance – Summer 2018

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Office Hours: Wednesday, after class
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Class Times: Mon/Tue/Wed/Thu/Fri 8:00am-9:30am; McColl 3650

PREREQUISITES:

Econ 410 & BUS 101

COURSE DESCRIPTION

The course is segmented into modules that highlight the primary decision making areas faced by a senior financial officer. The course involves both domestic and international situations. An integral part of the course is the integration and application of frameworks developed in your prerequisite business courses, as well as others in your Core curriculum. The major topics are as follows:

1. Assessing, planning and managing financial performance.
2. Understanding financial markets, securities and options for raising capital and determining and optimal capital structure.
3. Minimizing the cost of capital and setting financial goals and targets.
4. Valuation of long-term investments and businesses

Throughout the course, the task of assessing and controlling risks will be a recurring topic.

TEXTBOOK

For this course you will be required to purchase McGraw-Hill Education Connect® access for *Fundamentals of Corporate Finance* 11th edition by Ross, Westerfield, and Jordan (RWJ). **Connect has an e-book and your homework.** You are not required to have a print text and please be aware if you purchase a used textbook you will still need to purchase Connect access.

Connect access can be purchased during registration for the program online, or Connect codes are available in the bookstore. If you would like a print version of the text to accompany the Connect program a print-upgrade option is available via Connect. This will be a full color binder-ready version of the text and can be purchased from the Connect homepage once you've registered (possibly cheaper than buying the book at the bookstore). A McGraw-Hill representative will also attend class on the first day in order to demonstrate how to use Connect.

The URL below will take you to the registration page for the course on Connect.

<http://connect.mheducation.com/class/f-grigoris-busi-408-summer-1---section-1>

Additional Readings (Highly Recommended)

- *Wall Street Journal*. Student Subscription, \$1/week: www.wsj.com/studentoffer
- Regular reading of *WSJ*, *Barron's*, *Fortune*, and *The Economist*, and regular watching of CNBC, FNN or MSNBC will be necessary to get the full benefit of the class. Classroom time will be allocated for open discussion on how the course material applies to current world-wide events.

BUSI408 TOPICS & SCHEDULE

Week	Class	Day	Date	RWJ Chapter	Topic	HW
1	1	Wed	16-May	1	Introduction	Quiz 1
	2	Thu	17-May	2	Financial statements	Quiz 2
	3	Fri	18-May	3	Financial statements	Quiz 3
2	4	Mon	21-May	5	Time value of money	Quiz 4
	5	Tue	22-May	5	Time value of money	Quiz 5
	6	Wed	23-May	6	Discounted cash flow	Quiz 6
	7	Thu	24-May	6	Discounted cash flow	Quiz 7
	8	Fri	25-May	7	Bond valuation	
3		Mon	28-May		No class: Memorial Day	
	9	Tue	29-May	7	Bond valuation	Quiz 8
	10	Wed	30-May	8	Stock valuation	Quiz 9
	11	Thu	31-May		Review	
	12	Fri	1-Jun		Midterm	
4	13	Mon	4-Jun	9	Net present value	
	14	Tue	5-Jun	9	Net present value	Quiz 10
	15	Wed	6-Jun	10	Investment decisions	Quiz 11
	16	Thu	7-Jun	11	Project analysis	Quiz 12
	17	Fri	8-Jun	14	Cost of capital	
5	18	Mon	11-Jun	14	Cost of capital	Quiz 13
	19	Tue	12-Jun	15	Raising capital	Quiz 14
	20	Wed	13-Jun	16	Financial leverage	
	21	Thu	14-Jun	16	Capital structure	Quiz 15
	22	Fri	15-Jun	17	Dividend policy	Quiz 16
6	23	Mon	18-Jun		Review	
		Tue	19-Jun		No class: Exam study period	
		Wed	20-Jun		No class: Exam study period	
	Final Exam	Thu	21-Jun		Time: 8a-11a (Rm 3650)	

GRADING

Participation	10%	
Homework	20%	Daily assignments, drop 3 lowest scores
Mid-Term Exam	30%	Friday June 1 (in class, 3650)
Final Exam	40%	Thursday June 21, 8a-11a, (Room 3650)

LETTER GRADE POLICY AND REPORTING

Letter grades are assigned on an **absolute basis**. However, I reserve the right to adjust the numerical class average.

ATTENDANCE & PARTICIPATION

I expect all students to be present and prepared for each class. However, if you are unable to attend class (e.g., illness, family crisis), I expect you to inform me (via e-mail). Absences, particularly absences without notification, or unjustified absences, will have a negative impact on your participation grade.

HOMEWORK

There will be 16 homework assignments assigned through Connect online. These problems are to be done individually. Quizzes assigned on Monday through Thursday are due at 11:59pm on the date assigned, and any quiz assigned on a Friday will be due at 6:00pm on the following Sunday. The purpose of these quizzes is to ensure you are keeping up with the course content. They should not take too long to complete if you are actively engaged in the class and are reading the relevant chapters of RWJ. You will be given two attempts at each quiz. At the end of your first attempt you will see your score and the questions you answered correctly and incorrectly. After your second attempt you will receive your total score. Detailed feedback and solutions will become available one hour after the quiz is due (a great study resource). In addition, I'll spend some portion of lecture going over problems – typically those from the homework that are confusing, but also some others. Please let me know during lecture about problems or concepts that are difficult to grasp. At the end of the course, I will drop your 3 lowest homework scores.

FINANCIAL CALCULATORS

You are **REQUIRED** to purchase a financial calculator for this course. Currently approved models are: HP 12c, HP 10B, TI BA2. These can be bought new for \$35-70 at various store and online retailers; and bought used for quite a bit less. These are highly valuable for efficient solving of financial problems we'll do in this class, as well as other classes you may take. It will have significant usefulness in your personal finance efforts beyond UNC as well. We'll discuss functions in class in a couple weeks. I will personally be using a TI BA2 in class.

EXAM INFO

There will be two (2) exams in this course, a **Midterm** and a **Final**. Together, these exams comprise the majority of your course grade. See schedule for the exact dates and times. Please note, only in EXTREME emergencies do I *consider* make-up exams, and it will be at my discretion as to whether or not to grant one. You are expected to be at the exams as scheduled.

BUSI408 POLICIES

1. Class participants will follow and adhere to the UNC Honor Code, part of the Core Values of KFBS
2. BUSI408 operates under a “closed computer” policy; Print slides (multi-slide / page) to take notes
3. Absolutely NO cell phones (turn off)
4. I expect students to be ready for class at the scheduled time. Class will start on time.
5. Due dates and times for assignments are **FINAL**. There are no “grace” periods. Plan accordingly.
6. Make-up exams will only be given for family or medical emergencies. Prior notice and hard evidence is required.
7. **REQUIRED: financial calculator.** For exams, the only approved calculators are: HP 10B, 12C, or TI BAII. You WILL NOT be able to use graphing/programmable calculators (TI-83, etc).
8. Bring your calculator to every class session. It will be useful when we do *live* exercises.
9. I will try to stick to the course outline schedule, however adjustments may be made.
10. Exams are closed-book and closed-notes unless otherwise instructed. Calculators (not cell phone ones) are allowed and required. A “cheat sheet” may be allowed (discussed at the appropriate time).

HONOR CODE

Integrity is one of UNC Kenan-Flagler Business Schools core values and “we hold ourselves to the highest ethical standards.” Violations of the honor code will result in an F in the course, regardless of the grades received on the course work.