

FIN 411 – CORPORATE FINANCE MANAGEMENT SYLLABUS

Fall 2021 | Class Number 1554 (Section 01)

CONTACT AND CLASS INFORMATION

Instructor: Ryan J. Ross, CFA

Office: Sage Hall 2042

Office Hours: Monday: 11:00AM - 12:00PM and 3:00PM - 4:00PM
Wednesday: 2:00PM - 3:00PM and 6:00PM - 7:00PM
And by appointment

E-mail: ryan.ross@csuci.edu

Class Schedule: Wednesday 7:30PM - 10:20PM

Class Room: Bell Tower 2688

REQUIRED MATERIALS

Text Book: Essentials of Corporate Finance (Either the 8th Edition or 9th edition will work) by Ross, Westerfield and Jordan (McGraw Hill).
8th edition ISBN: 9780078034756
9th edition ISBN: 9781259277214

Cases: Harvard Business Publishing:
<https://hbsp.harvard.edu/import/857434>

Financial Calculator: Many financial calculators are available on the market. Make sure the one that you have is able to calculate Net Present Value (NPV) and Internal Rate of Return (IRR). It is a student's responsibility to purchase a calculator with financial functions and learn to operate it. The textbook supports the **Hewlett-Packard HP-10B and Texas Instruments BA II Plus**. **Programmable/graphing calculators are not permitted. A financial calculator is required to pass this class.**

Other: Access to CI Learn (Canvas): <https://cilearn.csuci.edu/>
CSUCI email account

Recommended: [The Wall Street Journal](#)

COURSE DESCRIPTION AND TOPICS

The main objective of this course is to introduce students to the analysis of corporate financial policy with an emphasis on applications. We will use lecture notes, case studies, and advanced readings to analyze how corporations make investment and financing decisions. The course covers a wide range of topics including: financial statement analysis, capital budgeting, cost of capital, and business valuation. Students will be required to analyze selected problems orally and in writing.

LEARNING OUTCOMES

Students completing this course will be able to:

1. Explain and apply theories and concepts of business finance. In detail, students should be able to:
 - a. Explain the ultimate goal of financial management.
 - b. Analyze and utilize financial statements.
 - c. Create pro forma financial statements and forecasts.
 - d. Calculate Time Value of Money and apply it to stock valuations.
 - e. Estimate various investment criteria and evaluate capital budget decisions.
 - f. Explain the trade-off relationship between risk and return and apply Capital Asset Pricing Theory.
 - g. Calculate the Weighted Average Cost of Capital.
2. Analyze a company's financial performance and financial decisions using business finance theories.
3. Present collaborative works.

GRADING

Grading for the course will be as follows:

	<u>Weight</u>
Midterm Exam #1	20%
Midterm Exam #2	20%
Final Exam (not cumulative)	10%
Group Project	25%
Homework / Class Participation	25%

Students will receive a numerical grade on each assignment. However, I may choose to “curve” for the course grade. Plus/minus grades will be given. Note: Participation does not mean attendance; rather it involves regular, meaningful contributions to class discussions. Participation will also have an impact on students who may be inbetween grades and/or for plus/minus grades.

EXAMINATIONS

1. The exams will be closed-book and based on assigned readings, lectures, and other topics discussed in class.
2. This is an “in person” course and all exams will be taken in the classroom.
3. **No Make-up Examination or alternative test dates** will be given under any circumstances.
4. Only approved financial calculators will be permitted.
5. Smartphones, watches, earphones, and earbuds are not permitted.
6. No scratch paper or cheat sheets are permitted.
7. A formula sheet will be provided.

GROUP PROJECT / PRESENTATION

A group project is designed to help students make connections between textbook theories and real business finance applications, and to build collaboration and communication skills. Case details will be given during the course.

CLASS PARTICIPATION

A very important element in the learning process will be class participation and discussions related to cases, assigned chapters, as well as current events and other salient topics. Therefore, it is critical that students have completed the assigned readings prior to class. During the class, students could be called upon to explain case details and/or answer questions.

HOMEWORK

The cases play an important role in this course as students learn to analyze and synthesize data in order to form conclusions and make financial and managerial recommendations. **Reading and preparing cases before class** is critical to the learning process. Homework is due on Wednesdays at 4:59PM (uploaded to Canvas). Students are permitted (but not required) to work in teams of up to three students. One student per team should submit a homework assignment. All team member names must be clearly listed on the assignment in order to receive credit.

CLASS POLICIES

1. **Add/drop, withdraw, and incomplete policy:** Students should comply with the University policy for add/drop, withdraw, and incomplete procedure.
1. **No late work will be accepted.** This policy applies to all exams, homework, and the group project.
2. **Cell Phones, Calculators, and Laptops:** Cell phone ringtones must be set to “silent.” Texting is not allowed and cell phones shall not be visible during class at any time. Programmable calculators are not allowed on exams. Laptop computers are only permitted for note taking.
3. **Statement of Academic Integrity:** Academic dishonesty includes but is not limited to such things as cheating, inventing false information or citations, plagiarism, and helping someone else commit an act of academic dishonesty. It usually involves an attempt by a student to show possession of a level of knowledge or skill that he/she does not possess. Violations could result in **Failed** grade for the course. See “Policy on Academic Dishonesty:” <https://policy.csuci.edu/sp/13/sp-03-006.htm>
4. **No recording and copyright notice.** It is a violation of CSUCI’s Academic Integrity Policies to share course materials with others without permission from me. No student may record any lecture, class discussion, or meeting with me without my prior express written permission. The word “record” or the act of recording includes, but is not limited to, any and all means by which sound or visual images can be stored, duplicated or retransmitted. I reserve all rights, including copyright, to my lectures, syllabus, and related materials, including summaries, PowerPoints, prior exams, answer keys, and all supplementary course materials available to the students enrolled in my class whether posted on Canvas or otherwise. They may not be reproduced, distributed, copied, or disseminated in any media or in any form, including but not limited to all course note-sharing websites.
5. **Disabilities statements:** Students with disabilities needing accommodation should contact the Disability Accommodation and Support Services at 805-437-3331 or accommodations@csuci.edu. All requests for accommodations require appropriate

advance notice to avoid a delay in services. Please discuss approved accommodations with me. More details can be found at <https://www.csuci.edu/dass/policies-procedures/>

OTHER

The material presented and the classroom discussions are not intended to be financial advice to students in connection with any issue(s) they or others may have. If students have a financial matter, they are advised to promptly consult an experienced professional who can fully review the facts and advise them accordingly.

CHANGES TO THE SYLLABUS

Items included in this syllabus, excluding those items that are mandated by the University, may be changed as determined in the instructor's sole discretion. In the event there are changes made by the instructor, these changes will be provided to students as soon as possible. These notices can include announcements in class, email, and or notices posted on Canvas. Therefore, it is critical that, at a minimum, students check both their CSUCI email and Canvas on a regular basis.

COVID RELATED COMMENTS AND POLICIES

CSUCI recognizes that this is a difficult time, which may be filled with uncertainty as we move forward with the academic year. Your safety, health, and well-being, as well as that of the faculty and staff are our primary concern and we want to be able to support you in any way that we can. All we ask is that you respect the COVID-guidelines that are in place and designed to keep yourself and others safe. We have expectations that you act responsibly in order to mitigate risk to others. As your instructor and an employee of the University, I too am committing to these guidelines that I will ask you to follow.

The University understands that at this time you may be facing some obstacles that would make it difficult to meet your academic goals. Please use the **Fall 2021 Semester News Center** webpage for information and resources on basic needs such as housing, food, financial aid, and medical and mental health. The webpage also offers information on University communications, access to technology, and student services. Visit this webpage regularly as information may change as the semester rolls out.

I am committed to working with students with pre-existing medical and mental health needs, as well as new needs that may arise within the semester. I encourage you to reach out to me as early as possible to discuss any potential adjustments you think may be necessary in this course. Reasonable accommodations may include leveraging the course modules that have been developed in creative ways to maximize your access during times when students need to quarantine due to COVID exposure, or during an absence related to a disability or COVID-19

diagnosis. While I cannot guarantee any specific outcome, I am committed to working with you to explore all the options available in this course.

Remember, you are not alone and together we will navigate these extraordinary and challenging times.

Students are required to abide by all COVID-19 related policies that are mandated by the University.

Up-to-date policies and notifications can be found here:
<https://www.csuci.edu/news/campus-updates/fall-2021/>

A few of the key current University policies (subject to change/modification during the semester):

- Based on present health guidance, students will be required to wear a mask while indoors on campus, even if they are fully vaccinated. However, students who certify that they are fully vaccinated will not be required to submit for routine COVID-19 testing;
- Students will be required to complete the online training: [CSU-Student Safety on Campus During COVID-19](#). Unvaccinated students, including those who are eligible for a medical or religious exemption, will have **two** key requirements:
 - Face masks will be required while indoors (campus buildings, the library, etc.) except when eating or drinking. Outdoors, face masks are optional but encouraged.
 - Participate in weekly COVID-19 testing
- Students who cannot wear a face covering due to a medical condition or disability, or who are unable to remove a mask without assistance, should seek an accommodation through the [Disability Accommodations and Support Services Office](#). If you do not adhere to this practice you will be asked to leave the room.
- Complete a [COVID-19 Self Symptom Check](#) prior to visiting the campus. If you are not feeling well, please do not visit the campus or affiliated location.
- Report a positive case of COVID-19 or possible exposure at the [COVID Cases](#) web page

Is a COVID-19 vaccination required to return to campus?

Yes. Following the [CSU's announcement](#) that it would implement a COVID-19 vaccination requirement for the Fall 2021 term, President Yao provided additional information in [his message to students on Aug. 4](#). All CSUCI students will be required to provide proof of vaccination or provide an approved medical or religious exemption and submit to regular testing. In addition, masks will continue to be required indoors, regardless of vaccination status, while at CSUCI or an affiliate location (Channel Islands Boating Center, Santa Rosa Island Research Station, or Goleta instructional site).

TENATIVE COURSE SCHEDULE

Week	Date	Topic
1	Aug. 25	Course Administration Corporate Finance Overview
2	Sept. 1	Chapter 2: Financial Statements, Taxes, and Cash Flow Darden: An Overview of Financial Statement Analysis: The Mechanics
3	Sept. 8	HBS: Cartwright Lumber Company Chapter 4: Introduction to Valuation
4	Sept. 15	Ivey: Strong Tie Ltd. Chapter 5: Discounted Cash Flow Valuation
5	Sept. 22	Darden: Horniman Horticulture Review for Midterm Exam #1
6	Sept. 29	Midterm Exam #1 HBS: Note on Financial Forecasting
7	Oct. 6	Darden: Monsanto Company Chapter 7: Equity Markets and Stock Valuation
8	Oct. 13	Ivey: Valuing Wal-Mart 2010 Chapter 8: Net Present Value and Other Investment Criteria
9	Oct. 20	Chapter 9: Making Capital Investment Decisions Group Project Overview
10	Oct. 27	Babson: Sneaker 2013 Review for Midterm Exam #2
11	Nov. 3	Midterm Exam #2 Chapter 10: Some Lessons from Capital Market History
12	Nov. 10	Darden: The Fidelity Magellan Fund, 1995 Chapter 11: Risk and Return
13	Nov. 17	Continue Chapter 11 Chapter 12: Cost of Capital
14	Nov. 24	Darden: Nike, Inc.: Cost of Capital
15	Dec. 1	FINAL EXAM
16	Dec. 8	GROUP PRESENTATIONS (7:00PM - 9:00PM)