

CIMBA Course Syllabus

Corporate Finance: F117

- Instructor:** Ronald D. Watson rdwatson@rci.rutgers.edu
Rutgers Business School, CIMBA, & Warwick University (England)
Office hours information will be supplied during the first week of classes
- Goals:** This course extends the principles learned in the traditional introductory course in corporate financial management. Financial reporting, profit measurement, cash flow valuation, corporate restructuring, liabilities management, and agency conflicts will be examined through materials provided in a lecture format, readings from finance research literature, and intensive study of the financial condition of several firms involved in recent international mergers.
- Text:** The assigned text is “Fundamentals of Corporate Finance” by Ross, Westerfield, & Jordan (McGraw Hill / 8th ed. Alternate). Students will also receive a variety of supplementary materials which should be downloaded to a flash-drive so that they can be accessed easily.
- Structure:** The course will meet in 20 class sessions of 110 minutes each. The bulk of the presentation which I will make will be summarized in Powerpoint slides which are posted on ICON. The ICON site will also contain additional course materials, homework assignments (not already described on this syllabus), and answers to homework problems and exam problems. Not all homework will be collected and graded, but answers to all assigned problems will be posted on ICON.
- Calculator:** Your life will be easier if you have a basic calculator available for exams (& know how to use it). You will not be allowed to use a smart phone or other “communication-capable” device during the exams (even though it has calculator software embedded) for the obvious reasons.
- Preparation:** All of you should have completed an introductory course in finance. If it was during the fall 2012 term, you should be fresh enough that you will remember the topics you were tested on in December. If you took that course a year or more ago, please dig out your old text (or borrow one if you already sold it back to the bookstore), and spend a day reviewing the material through capital budgeting. I am going to assume that you know this stuff when you get to class.

Schedule of Topics:

	<u>Class Week</u>	<u>Assignment Topic</u>	<u>Readings & Other Assignments</u>
1	January 20 -27:	Review principles of corp. finance	Skim the text’s first 11 chapters to review your introductory class Refresh present value skills (HW 1)
2	Jan. 29 – Jan. 31 (2 classes)	Use of financial statements	Articles on IFRS (flash-drive pack) Beerly: Spreadsheet exercise (HW 2)
3	Feb. 5 – Feb. 7 (2 classes)	Cash flows: valuation & cap budgets <u>Quiz #1</u>	HW: worksheets provided (HW 3)

4	Feb. 9 – Feb. 17	<i>Travel week</i>	<i>no new assignment</i>
5	Feb. 19 – Feb. 21 (2 classes)	Risk Measurement & Management	Chapter 12, 13 End of chapter problems to be assigned
6	Feb. 25 - Mar. 1 (3 classes)	Options and other Derivatives Estimating the Cost of Capital	Chapter 14, 23 Chapter 15 End of chapter problems to be assigned
7	Mar. 4 – Mar. 8 (3 classes)	Raising Capital, Using Leverage, and Paying Dividends <u>Midterm exam</u>	Chapter 16, 17, 18 End of chapter problems to be assigned
8	Mar. 9 – Mar. 17	<i>Travel week</i>	<i>no new assignment</i>
9	Mar. 18 – Mar. 22 (3 classes)	Mergers and Acquisitions	Chapter 25 End of chapter problems to be assigned Case analysis: major beverage mergers
10	Mar. 25 – Mar. 29 (2 classes)	International Finance Issues	Chapter 22 End of chapter problems to be assigned Case analysis: beverage industry issues
11	Apr. 1 – Apr. 6 (2 classes)	Team Presentations, Wrapup, and Final Exam	
12?	Other topic material is in the course flash-drive file in case we finish ahead of this schedule		

Examinations:

There will be a short quiz (to give you an incentive to review accounting principles and discounted cash flow valuation), a midterm examination, and a final examination. All tests are cumulative in their coverage of assigned materials. The normal format will be a combination of problems and short discussion questions. It is likely that at least one quarter of each exam will be composed of questions that are very similar to ones assigned for homework.

Grading

This course is considered to be an either a REQUIRED or ELECTIVE course in standard business school curriculums depending on whether you are a finance major or not. Accordingly, I will be grading on a curve with a goal of adhering to a grade distribution between Required and Elective as outlined below.

Grade	Core Courses	Required Courses	“Blend”	Elective Courses
A	20%	30%	35%	40%
B	40%	40%	40%	40%
C	30%	25%	20%	15%
D	10%	5%	5%	5%

A variety of other policies, unrelated to the specific content of this course are governed by the norms of the Tippie College of Business and the University of Iowa.

Students with Disabilities:

"PLEASE NOTE: If you have a disability that may require some modification of seating, testing, or any other class requirement, please let me know as soon as possible so that appropriate arrangements can be made. Similarly if you have any emergency medical information about which I should know, or if you need special arrangements in the event the building must be evacuated, please let me know. Please see me after class hours or during my scheduled office hours or schedule an appointment. I would also remind you that the Office of Student Disability Services is available to assist you."

Academic Misconduct:

Unless precluded by a statement made during class, students are allowed to collaborate on homework assignment, but must prepare their own individual papers to submit for a grade. The obvious exception would be a formal team assignment, in which case a single submission would be assumed to represent the work of all students (participating and contributing "equally") and all would receive the same grade.

Any examination administered in class or at the end of the term is closed book. The only outside assistance a student may bring to class is a financial calculator. Calculators may be programmable, but students are not allowed to use notebook computers, i-phones (or equivalent), or any other device that can be used to access the internet or any other out-of-class source of additional information. Cheating in any form – either receiving or giving assistance – will be grounds for administrative action. You are all bound by the College Honor Code.

Sexual Harassment

CIMBA and the University of Iowa are committed to providing students with an environment free from sexual harassment. If you feel that you are being or have been harassed or you are not sure what constitutes sexual harassment, we encourage you to visit the University website, <http://www.sexualharassment.uiowa.edu/index.php>, and to seek assistance from any program administrator.

CIMBA's attendance policy:

Attendance at all classes and CIMBA sanctioned activities is **MANDATORY**. All unexcused absences will have the following consequences:

- a. 1st absence will result in a loss of a 1/3 of a letter grade in that class
- b. 2nd (cumulative) absence will result in a loss of an entire letter grade in that class
- c. 3rd (cumulative) absence will result in a dismissal from the program

Absences due to illness require confirmation from the CIMBA Office Staff. If you are sick and cannot attend class, you must inform the CIMBA Staff immediately. Failure to do so will result in an unexcused absence. You are allowed to make up examinations which have been missed due to illness, mandatory religious obligations, or other unavoidable circumstances.

FERPA Requirement:

In order to participate in this class, it may be necessary to reveal to other students the names of students who are enrolled in this course. If you do not want your name revealed to other students enrolled in this course, please contact me in writing by the end of the first week of class. CIMBA retains the right to release your performance records in this course to legitimately interested parties unless your objection is made clear and in writing.

Grievance Policy

If you are concerned about this course, you should first discuss it with me, the faculty member teaching this course. If we can't resolve the complaint, you may contact the Finance Department Chair, Erik Lie (319-335-3733, erik-lie@uiowa.edu). If you cannot resolve the complaint by speaking with the chair, you may contact the Associate Dean of the Tippie College Undergraduate Program, Lon Moeller (319-335-0924, lon-moeller@uiowa.edu).