2012

FINC 700-X13 Corporate Finance

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CORPORATE FINANCE (XMBA)
FINC 700-X13 (Fridays & Saturdays 1:00 – 5:00pm)
XAVIER UNIVERSITY
Summer 2012/Fall 2012 (7/14 – 9/8/12)

Instructor: Stephanie Sisak
Phone: (513) 295-3742 [Cell] [Calls are permitted between 10am – 10pm]
Email: stephaniesisak@yahoo.com [Preferred Email]
Office Hours: 241 SMH – by appointment only

WCB MISSION:
We educate students of business enabling them to contribute to organizations and society consistent with the Jesuit tradition.

COURSE DESCRIPTION:
The course introduces the basic principles, concepts and analytical tools of financial management with special emphasis on the corporation. Students will understand the fundamental concepts necessary for financial management, focusing on such basic questions as:

1. What long-term investments should the company take on?
2. Where will the company get the long-term financing to pay for the investment?
3. How will the company manage everyday financial activities such as collecting from customers and paying suppliers?


PREREQUISITES: ACCT 500
RECOMMENDED: STAT 500 & ECON 500/501

EVALUATION:

<table>
<thead>
<tr>
<th>Evaluation</th>
<th>Date</th>
<th>Chapters</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm</td>
<td>August 3, 2012</td>
<td>1 – 7</td>
<td>40%</td>
</tr>
<tr>
<td>Final</td>
<td>September 8, 2012</td>
<td>8 – 16</td>
<td>60%</td>
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</tbody>
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Exams include materials covered in class and assigned readings. Each student is responsible for material covered on any missed days. Grades are assigned according to the following scale:

<table>
<thead>
<tr>
<th>Range</th>
<th>Grade</th>
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<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>94 – 100%</td>
<td>A</td>
<td>77 – 79%</td>
<td>C+</td>
</tr>
<tr>
<td>90 – 93%</td>
<td>A-</td>
<td>70 – 76%</td>
<td>C</td>
</tr>
<tr>
<td>87 – 89%</td>
<td>B+</td>
<td>&lt; 70%</td>
<td>F</td>
</tr>
<tr>
<td>84 – 86%</td>
<td>B</td>
<td></td>
<td></td>
</tr>
<tr>
<td>80 – 83%</td>
<td>B-</td>
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<td></td>
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All lecture notes are available on Blackboard https://blackboard.xavier.edu/. Bring your calculator and text to every class to ensure active learning. The finance department recommends using the Texas Instruments BA-II Plus financial calculator. It is not necessary to purchase the professional version (silver/gray tone). The sharing of calculators, using smart phones or laptops during exams is not permitted.

Using any work that is not your own, giving permission to use your work or using any unauthorized information throughout the semester will result in a failing grade in the course and possible expulsion from Xavier University. All students are expected to adhere to Xavier’s Academic Honesty policy as set forth in the catalogue.
LEARNING GOALS:

• **Strategic Thinking and Leadership**

  *Learning Goal:* WCB MBAs will be able to position organizations in chosen market areas, compete successfully, and satisfy stakeholders with the objective of achieving superior organizational performance.

  *Corresponding Objectives:*

  1. MBA students will demonstrate the appropriate knowledge of accounting, finance, management, marketing, and strategic integration.

  2. MBA students will formulate business strategies utilizing their understanding of the key functional areas of business.

• **Ethics and Social Responsibility**

  *Learning Goal:* WCB MBAs are able to foster an ethical climate in their roles and responsibilities in business and society.

  *Corresponding Objective:*

  1. MBA students will recognize ethical issues and demonstrate the skills necessary to analyze information and make informed, ethical decisions in complex, conflicting or ambiguous environments or situations.

• **Critical Thinking**

  *Learning Goal:* WCB MBAs are able to clarify problems, generate and evaluate alternatives using appropriate analytical and quantitative techniques, and draw conclusions.

  *Corresponding Objective:*

  1. MBA students will evaluate organizations and recommend optimal strategies and actions demonstrating their ability to understand context, frame problems and use appropriate analytical and quantitative techniques.

• **Effective Written and Oral Communication**

  *Learning Goal:* WCB MBAs are proficient in written and oral communication.

  *Corresponding Objectives:*

  1. MBA students will demonstrate their ability to clearly summarize issues and support decisions in writing.
<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topic/Exam</th>
</tr>
</thead>
</table>
| 1    | Saturday 07/14/12 | Course Outline, Class Introductions  
|      |               | Chapter 1 – Introduction to Corporate Finance  
|      |               | Chapter 2 – Financial Statements, Taxes and Cash Flows                     |
| 2    | Friday 07/20/12 | Chapter 3 – Working with Financial Statements  
|      |               | Chapter 4 – Long Term Financial Planning and Growth  
|      |               | Chapter 5 – Introduction to Valuation: Time Value of Money                  |
| 3    | Saturday 07/28/12 | Chapter 6 – Discounted Cash Flow Valuation  
|      |               | Chapter 7 – Interest Rates and Bond Valuation                               |
| 4    | Friday 08/03/12 | Midterm: Chapters 1 – 7                                                   |
| 5    | Saturday 08/11/12 | Chapter 8 – Stock Valuation  
|      |               | Chapter 9 – Net Present Value and Other Investment Criteria  
|      |               | Chapter 10 – Making Capital Investment Decisions                           |
| 6    | Friday 08/17/12 | Chapter 10 – Making Capital Investment Decisions (cont.)  
|      |               | Chapter 11 – Project Analysis and Evaluation  
|      |               | Chapter 12 – Some Lessons from Capital Market History                      |
| 7    | Saturday 08/25/12 | Chapter 13 – Return, Risk and the Security Market Line  
|      |               | Chapter 14 – Cost of Capital                                               |
| 8    | Friday 08/31/12 | Chapter 16 – Financial Leverage and Capital Structure Policy  
|      |               | Final Exam Review                                                           |
| 9    | Saturday 09/08/12 | Final: Chapters 8 – 16                                                    |

* Please note there are no make-up exams given. If you are unable to take an exam on the night it is given, you must make an appointment to take it before the scheduled date.