2017

FINC 550-03 Corporate Finance

Todd Wenning
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CORPORATE FINANCE  
FINC 550-03 (Monday 6:00 – 8:30pm)  
XAVIER UNIVERSITY  
Spring 2017

Instructor: Todd Wenning, CFA  
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Office: 229 Smith Hall  
Office Hour: Monday 4:45-5:45 and by appointment

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 you to the basic principles of corporate finance and capital allocation. By the end of the class, my goal is to have you better prepared to make wise and thoughtful investment decisions.


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

EVALUATION:  
Three exams @ 30% each; Ratio analysis project 10%

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:

90% and above A, 80-89% B, 65-79% C, below 65% F

+ or – may be added to these letter grades depending on the distribution of course grades. Please refer to grading system in the University catalog.

All lecture notes are available on Canvas. Bring your calculator and text to every class to ensure active learning.

The financial calculator I will be using in class is a HP 12C Programmable Financial Calculator, which you can find online for less than $80. You do not need to purchase the “Platinum” version. If you already own another type of financial calculator (e.g. Texas Instruments BA-II Plus) please feel free to use that instead, although some of the commands will be different from what I will show during class on the HP 12C. Note, “normal” calculators or scientific calculators will not suffice for the type of work we’ll do in class. The sharing of calculators 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. **Once an exam begins, students will not be allowed to leave the classroom until they are done.**

**CANVAS:**
PowerPoint files and end of chapter solutions are posted in Canvas
<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topic/Exam (Suggested end of the chapter practice problems)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>01/09</td>
<td>Course Outline, Class Introductions Chapter 1 – Introduction to Corporate Finance Chapter 2 Financial Stmts., Taxes &amp; Cash Flow</td>
</tr>
<tr>
<td>2</td>
<td>01/16</td>
<td>Chapter 2 cont. Chapter 5 – Introduction to Valuation: Time Value of Money (10, 15, 19, 20)</td>
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<tr>
<td>3</td>
<td>01/23</td>
<td>Chapter 6 – Discounted Cash Flow Valuation (1,3,5,12,13,21,35)</td>
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<tr>
<td>4</td>
<td>01/30</td>
<td>Chapter 6 cont. Chapter 7 – Interest Rates and Bond Valuation (3,4,15,16,17,18)</td>
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<td>5</td>
<td>02/06</td>
<td>Exam 1: Chapters 1, 2, 5, 6 &amp; 7</td>
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<tr>
<td>6</td>
<td>02/13</td>
<td>Chapter 12 – Some Lessons from Capital Market History (1, 2, 7, 8, 15)</td>
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<tr>
<td>7</td>
<td>02/20</td>
<td>Chapter 13 – Return, Risk and the Security Market Line (1,7,10,11,13)</td>
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<tr>
<td>8</td>
<td>02/27</td>
<td>Chapter 13 cont. Chapter 14 part 1 through page 465 – Cost of Capital (1,2,5,6,9,15)</td>
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<td>9</td>
<td>03/06</td>
<td>No Class – Spring Break</td>
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<tr>
<td>10</td>
<td>03/13</td>
<td>Chapter 8 – Stock Valuation (4,5,7,8,15,17,18,20)</td>
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<td>11</td>
<td>03/20</td>
<td>Exam 2: Chapters 12, 13, 8 and 14 part 1 through page 465</td>
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<td>12</td>
<td>03/27</td>
<td>Chapter 14 part 2, page 466 + (16,17) Chapter 9 – NPV and other Investment Criteria</td>
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<tr>
<td>13</td>
<td>04/03</td>
<td>Chapter 9 cont. (1,4,7,8,12,15, 19 – method 3 only) Chapter 10 – Making Capital Investment Decisions (1,4,7,9,10,11,12,31)</td>
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<td>14</td>
<td>04/10</td>
<td>Chapter 10 cont. Chapter 3 – Working with Financial Statements</td>
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<tr>
<td>15</td>
<td>04/17</td>
<td>Exam 3: Chapter 14 part 2 page 466+, and Chapters 9 &amp; 10</td>
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<td>16</td>
<td>04/24</td>
<td>Trading Room - Ratio Analysis Project</td>
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<tr>
<td>17</td>
<td>05/01</td>
<td>Ratio Analysis Project due and presentations</td>
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- 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.
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.