

FINA 4330 Corporate Finance
Summer 2014

Instructor: Erin M. Alexander
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Office Hours: Before class or by appointment

Prerequisites:
FINA 3332, DISC 3331, and ECON 2304

Course Description:

The purpose of this course is to introduce students to the various elements that impact a corporation's financial decision. We will study: financial statements and the related ratios, valuing stocks and bonds, using net present value and other methodologies to determine the value of a project, capital budgeting, dividend policy and cash management techniques.

Text:

Ross, Westerfield, & Jaffe, **Corporate Finance**, 10th edition; **Solutions Manual(optional) Will be available on Blackboard**

Course Grading:

There will be three exams. Each will be weighted equally. Each student is expected to take the exams at the scheduled time. Exams are closed book and closed notes. In addition, please bring your Student Identification Card to all exams, as well as a financial calculator. **No graphing calculators are allowed.** The exams will be a mixture of questions measuring your knowledge of the theoretical information, as well as problems.

Makeup Exams:

Students are expected to take exams on the assigned day. Makeup exams are given at the discretion of the professor. The student is responsible for notifying the professor **prior** to the schedule exam time and will need to provide a written excuse stating the reason for missing the exam. If the professor deems the excuse acceptable, the makeup exam will be given the **last** day of class.

Calculators:

You are required to have a financial calculator. Please obtain one early in the semester and read the manual carefully. Sharing calculators during the exams is prohibited, so be sure to bring your own calculator and extra batteries. **No graphing calculators are allowed.**

Tentative Class Schedule

The schedule may change based on actual class progress. The instructor reserves the right to change dates for exams and course coverage. Students will be informed in class of such changes. **All students are responsible for any changes announced during class.**

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| Chapter 1 | Introduction to Corporate Finance |
| Chapter 2 | Financial Statements and Cash Flow |
| Chapter 3 | Financial Statement Analysis and Financial Models |
| Chapter 4 | Discounted Cash Flow Valuation |

EXAM 1 June 12 (Thursday)

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| Chapter 5 | Net Present Value and Other Investment Rules |
| Chapter 8 | Interest Rates and Bond Valuation |
| Chapter 9 | Stock Valuation |
| Chapter 11 | Return and Risk (CAPM) |

EXAM 2 June 26 (Thursday)

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| Chapter 13 | Risk, Cost of Capital, and Capital Budgeting |
| Chapter 16 | Capital Structure: Basic Concepts (selected pages) |
| Chapter 19 | Dividends and Other Payout* |

EXAM 3 July 8 2-5pm (Tuesday)

*If times permits

PROBLEMS (Tentative-others may be assigned or some deleted)

The following problems are from the end of the chapters in the textbook. Be sure to work these assigned problems, as we will go over them in class. It is essential that you work the problems prior to class and make corrections as we go over the answers in class. **If you wait until the night before the exam, you will not do well in this class.**

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|-----------|-----------------------------------|
| Chapter 2 | 9,10,12 |
| Chapter 3 | 4,5,9 Mini-case East Coast Yachts |
| Chapter 4 | 2,3,7,8,11,13,25,28,Q1,2 |
| Chapter 5 | 1,2,4,8,11,24,25 |

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| Chapter 8 | 1,2,6,13,21 |
| Chapter 9 | 1,2,3,8,9,13,23 |
| Chapter 11 | 1,2,6,10,14,15,23,28 |
| Chapter 13 | 1,2,4,7,12,14,19 |
| Chapter 16 | 1,4,12,21 |

Additional problems may be assigned. It is your responsibility to attend class so you are aware of any changes to the above.

Students with Disabilities

The Center for Students with Disabilities provides a wide variety of academic support services to all currently enrolled UH students who have any type of mental or physical disability of either a temporary or permanent nature. If you feel that you may need assistance of this nature, you may wish to call the Center at 713-743-5400.

Classroom Etiquette

Use of laptops during class is prohibited.

Attendance is strongly recommended. It is the rare student who can learn material on their own and do well in a class they did not attend. For the benefit of your fellow classmates and me, please refrain from regularly arriving late to class or leaving early. In addition, please do not disturb the class with pagers, phones, or conversation with your fellow students during class. Needless to say, this is extremely distracting and rude to others and the instructor. **Regularly violating these procedures will detract from your final grade in the class. It is important to remember these policies are common courtesy and are expected behaviors in the corporate environment.**

Academic Honesty

It is the student's responsibility to know the academic honesty policy of the university. You may find it on the university's website www.uh.edu under the catalog section. The rules of the university will be strictly enforced in this class.