

FINA4330: Corporate Finance

Spring 2015

Syllabus

Professor

Beau Page

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Office: 220G

Office Hours: W 3:00 - 4:00 PM

or by appointment

Course Time / Location

18785: MW 10:00 - 11:30 AM, MH 138

16450: MW 11:30 - 1:00 PM, MH 112

11880: MW 1:00 - 2:30 PM, MH 112

1 Course Description

This is a first course in corporate finance. The course has two primary purposes: to provide you with the tools used in corporate finance, and to give you a view of what corporate finance entails. First I will cover the basics of how finance works at the level of a corporation. What do a firm's financial officers do and how do they do it? You should learn some of the tools firms use to value their financial assets, and how to use those tools to improve financing and investment decisions. Second I will give you a broader view of the topics that fall under the heading of corporate finance, such as agency problems, capital structure, and mergers and acquisitions. My goal in this course is for you to learn to speak the language of corporate finance, being able to analyze the kinds of problems firms face when deciding whether to pursue a project, and how it should be financed.

2 Prerequisites

The prerequisites for the course are: junior standing, ECON 2304, FINA 3332 and STAT 3331 (also see the Finance department's official website for information on prerequisites).

3 Resources

3.1 Textbook

This class follows the textbook "[Principles of Corporate Finance](#)", 11th edition, by Richard A. Brealey, Stewart C. Myers, and Franklin Allen, Published by McGraw-Hill/Irwin (hereafter BMA). This book is recommended.

3.2 Blackboard

Be sure you can log in to Blackboard and access this class. Please let me know if you cannot so we can fix the problem as you must be able to access Blackboard for this class. This syllabus is available there, as well as the slides I present in class. If there are any changes to this document, the class schedule, or any other required materials, the most up-to-date versions will be available on Blackboard. In addition, part of your grade relies on quizzes administered through Blackboard.

4 Grades

Your grades will be determined as follows:

Assignment	Weight
Quizzes	25%
Exam 1	25%
Exam 2	25%
Exam 3	25%

Quizzes: As mentioned above, quizzes will be administered through the Blackboard system. There will be one short quiz each week (12 total), which must be completed by 12:00 AM (midnight) Central Standard Time each Sunday night. Each quiz will be over the material covered the previous week. I use these quizzes in place of homework to assess how well you understand class material. Only your six (6) highest scores will count towards your final grade.

Exams: Exams 1 and 2 will be held during class time according to the schedule below. Exam 3 will be held in our regular classroom during the time period assigned by the school (see below). You will be allowed a standard scientific calculator on the exams, but not one with more advanced alphanumeric capabilities. Cell phones, computers, or other devices that could allow communication are prohibited during exams.

5 Necessaries

5.1 Academic honesty

The University of Houston Academic Honesty Policy is strictly enforced by the C. T. Bauer College of Business. No violations of this policy will be tolerated in this course. A discussion of the policy is included in the University of Houston Student Handbook, http://www.uh.edu/dos/studenthandbook/academicpolicy/a_honesty.html. Students are expected to be familiar with this policy.

5.2 Accommodations for students with disabilities

The C. T. Bauer College of Business would like to help students who have disabilities achieve their highest potential. To this end, in order to receive academic accommodations, students

must register with the Center for Students with Disabilities (CSD) (telephone 713-743-5400), and present approved accommodation documentation to their instructors in a timely manner.

5.3 Respect

I expect myself and each of you to treat other students, faculty, and staff with respect. It is my job to teach you, and yours to learn. Anything you do which detracts from my ability to teach, or others' ability to learn is prohibited in my classroom. This includes:

- Arriving late or leaving early from class without prior approval from the instructor;
- Unnecessary discussions with fellow students during classroom instruction;
- The unauthorized use of cell phones or beepers during class; and
- Performing activities which divert a student's attention from the class discussions or lecture.

I am willing to make any reasonable accommodation. For example, you may need to have your phone on (in **vibrate** mode) when a family member is sick. Please make me aware of these types of situations before class.

6 Schedule

6.1 Lecture schedule

Below is a **tentative** class schedule. It is subject to change based on the needs of the class and our rate of progress through the material.

Week	Dates	Topics	BMA Chapters	Notes
1	January 21	Introduction	1	No quiz
2	January 26 & 28	PV & Bond Valuation	2, 3	
3	February 2 & 4	Bond Valuation	3	
4	February 9 & 11	Stock Valuation	4	
5	February 16 & 18	Decisions Using NPV	5, 6	
6	February 23 & 25	Exam 1 Review, Exam 1	1-6	No quiz
7	March 2 & 4	Risk & Required Return	7-9	
8	March 9 & 11	Securities & Issuance	14, 15	
9	March 23 & 25	Payout & Debt Policy	16, 17	
10	March 24 & 26	Debt Policy	17, 18	
11	March 30 & April 1	Exam 2 Review, Exam 2	7-9, 14-18	No quiz
12	April 6 & 8	Debt in Depth	23-25	
13	April 13 & 15	Mergers & Restructuring	31-32	
14	April 20 & 22	Agency & Governance	12, 33	
15	April 27 & April 29	Catch Up & Conclusion	34	
16	May 4	Exam 3 Review		No quiz
	See below	Exam 3	12, 23-25, 31-34	

6.2 Final Exam Schedule

Section	Date	Time
18785	TBA	TBA
16450	TBA	TBA
11880	TBA	TBA