

Course	FINC 5880 57 Advanced Corporate Finance	
Term	Spring I, 2010 – Camp Bullis, Texas	
Instructor	Name: Vaughn Caudill Phone: Cell 210-454-2095 Email: vaughncaudill52@webster.edu	
Catalog Description	This advanced study of corporate financial analysis and planning includes capital budgeting, cost of funds, and capital structure and valuation. Selected topics that may be covered are leasing, mergers, takeovers, business failure, reorganization, and liquidation. A combination of problem-solving and case study methodologies is used to illustrate theories and techniques helpful in financial analysis and planning.	
Prerequisites	FINC 5000 Finance	
Course Level Learning Outcomes	Outcome	Expectation
	1. Students can determine the value of fixed income securities	Students can calculate the implied value of convertible securities as well as the value of bonds-with-warrants.
	2. Students can analyze capital budgeting decisions using standard methodologies	Students can make capital budgeting decisions using cash flow estimates and incorporating other sources of cash, such as taxes and depreciation. Students can explain the impact of profit margin and overall firm profitability on capital budgeting decisions, particularly when outside financing may be required to be able to complete projects.
	3. Students can explain the impact of capital structure decisions on financial performance and cost of capital	Students can determine the impact of changes in cost of equity, cost of debt, the risk-free rate of interest, the tax rate, and the levels of debt and equity on the firm's balance sheet on the overall cost of capital and the effect on both project and firm profitability.
	4. Students can utilize financial analysis to assess an organization's financial condition	Students can apply ratio and financial statement analysis skills to solve unstructured problems.
	5. Students can construct strategies to reduce risk utilizing derivatives	Students can compute payoffs to put and call contracts and value corporate projects using the real option approach.

	6. Students demonstrate integration of more than one area of finance when using case studies.	Students can solve cases requiring integration across various finance areas.												
	7. Students will demonstrate knowledge of lease analysis.	Students can compare the value of leasing to that of purchasing.												
Materials	Title: <i>Financial Management Theory and Practice</i> , 12 th edition Authors: Brigham/Ehrhardt Publisher: South-Western ISBN-13: 978-0-324-42269-6													
Grading	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Homework</td> <td style="text-align: right;">100 points</td> </tr> <tr> <td>Quizzes</td> <td style="text-align: right;">50</td> </tr> <tr> <td>Participation</td> <td style="text-align: right;">50</td> </tr> <tr> <td>Mid-Term Exam</td> <td style="text-align: right;">150</td> </tr> <tr> <td>Final Exam</td> <td style="text-align: right;"><u>150</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">500</td> </tr> </table> <p>The GRADUATE catalog provides these guidelines and grading options:</p> <ul style="list-style-type: none"> • A/A- Superior graduate work • B+/B/B- Satisfactory graduate work • C Work that is barely adequate as graduate-level performance • CR Work that is performed as satisfactory graduate work (B- or better). A grade of "CR" is reserved for courses designated by a department, involving internships, a thesis, practicums, or specified courses. • F Work that is unsatisfactory • I Incomplete work • ZF An incomplete which was not completed within one year of the end of the course. ZF is treated the same as an F or NC for all cases involving G.P.A., academic warning, probation, and dismissal. • IP In progress • NR Not reported • W Withdrawn from the course 		Homework	100 points	Quizzes	50	Participation	50	Mid-Term Exam	150	Final Exam	<u>150</u>	Total	500
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Total	500													
Activities	Homework problems will assigned for each chapter. Two quizzes and participation points will be given. Two examinations Mid-Term and Final will be given. Each will cover text and lecture.													
Policy Statements: University Policies	University policies are provided in the current course catalog and course schedules. They are also available on the university website. This class is governed by the university's published policies. The following policies are of particular interest: Academic Honesty The university is committed to high standards of academic honesty. Students will be held responsible for violations of these standards. Please refer to the university's academic honesty policies for a definition of academic dishonesty and potential disciplinary actions associated with it. Drops and Withdrawals Please be aware that, should you choose to drop or withdraw from this course, the date on which you notify the university of your decision will													

	<p>determine the amount of tuition refund you receive. Please refer to the university policies on drops and withdrawals (published elsewhere) to find out what the deadlines are for dropping a course with a full refund and for withdrawing from a course with a partial refund.</p> <p>Special Services If you have registered as a student with a documented disability and are entitled to classroom or testing accommodations, please inform the instructor at the beginning of the course of the accommodations you will require in this class so that these can be provided.</p> <p>Disturbances Since every student is entitled to full participation in class without interruption, disruption of class by inconsiderate behavior is not acceptable. Students are expected to treat the instructor and other students with dignity and respect, especially in cases where a diversity of opinion arises. Students who engage in disruptive behavior are subject to disciplinary action, including removal from the course.</p> <p>Student Assignments Retained From time to time, student assignments or projects will be retained by The Department for the purpose of academic assessment. In every case, should the assignment or project be shared outside the academic Department, the student's name and all identifying information about that student will be redacted from the assignment or project.</p> <p>Contact Hours for this Course It is essential that all classes meet for the full instructional time as scheduled. A class cannot be shortened in length. If a class session is cancelled for any reason, it must be rescheduled.</p>
Course Policies	<p>Late assignments are not accepted for any reason. All projects and assignments are provided with ample lead time to account for any issues that may arise. Illnesses that result in a missed exam will only be considered for makeup if accompanied by a doctor's note. Travel for work or TDY assignments must be proven with written documentation for consideration of makeup exams.</p>
Weekly Schedule	<p>This syllabus may be revised at the discretion of the instructor without the prior notification or consent of the student.</p> <p>Pre-assignment for Week 1 Purchase the textbook Read Chapter 14- Financial Planning and Forecasting Financial Statements</p>
Week 1 – January 2	<p>Topics: Chapters 14 – Financial Planning and Forecasting Financial Statements</p> <ul style="list-style-type: none"> • Admin and Introductions • In-class discussion: P14-1, 14-4, 14-5 <p>Assignment for week 2: Read Chapters 15 & 16 Homework 14-6</p>

<p>Week 2 – January 9</p>	<p>Topics: Chapter 15 – Corporate Valuation, Value-Based Management, and Corporate Governance Chapter 16 – Capital Structure Decisions: The Basics</p> <ul style="list-style-type: none"> • In-class discussion: ST-1, P15-1, 15-2, Mini-case • In-class Discussion: ST-1, P16-1, 16-5, Mini-case • Turn in Homework 14-6 <p>Assignment for week 3 Read Chapters 17 Prepare for Quiz Homework Problems 15-10 and 16-7</p>
<p>Week 3- January 16</p>	<p>Topics: Chapter 17 Capital Structures Decisions: Extensions</p> <ul style="list-style-type: none"> • Quiz • In-class Discussions: ST-1, P17-1, 17-2, 17-3 • Turn in Homework 15-10 and 16-7 <p>Assignment for week 4 Read Chapters 18 & 19 Homework 17-4</p>
<p>Week 4- January 23</p>	<p>Topics: Chapter 18 Distributions to Shareholders: Dividends and Repurchases Chapter 19 Initial Public Offerings, Investment Banking, and Financial Restructuring</p> <ul style="list-style-type: none"> • In-class Discussions: P18-1, 18-3, 18-5, Mini-case • In-class Discussions: ST-1, P19-1, 19-2, Mini-case • Turn in Homework 17-4 <p>Assignment for Week 5 Read Chapter 20 Homework 18-8 & 19-3 Prepare for Mid-term.</p>
<p>Week 5-January 30</p>	<p>Topics: Chapter 20 Lease Financing</p> <ul style="list-style-type: none"> • In-class Discussions: Q 20-1 to 20-8, P20-1, 20-2, Mini-case • Turn in Homework 18-8 & 19-3 • Mid- Term Exam <p>Assignment for Week 6 Read Chapters 21 & 22 Homework 20-4</p>
<p>Week 6-February 6</p>	<p>Topics: Chapters 21 Hybrid Financing: Preferred Stock, Warrants, and Convertibles Chapter 22 Working Capital Management</p> <ul style="list-style-type: none"> • In-class discussions: Q21-1 to 21-8, P21-1, 21-3, Mini-case • Turn in Homework 20-4 <p>Assignment for Week 7 Read Chapter 23 Homework 21-3 & 22-12 Prepare for Quiz</p>

Week 7-February 13	<p>Topics: Chapter 23 Derivatives and Risk Management</p> <ul style="list-style-type: none"> • Quiz • In-class discussions Q23-1 to 23-6, P23-1, 23-3, Mini-case • Turn in homework 21-3 & 22-12 <p>Assignment for Week 8</p> <p>Chapter Chapters 24 & 25</p> <p>Homework 23-4</p>
Week 8-February 20	<p>Topics: Chapter 24 Bankruptcy, Reorganization, and Liquidation Chapter 25 Mergers, LBOs, Divestitures, and Holding Companies</p> <p>In-class discussion: Q24-1 to 24-5, P24-1, Mini-Case</p> <p>In-class discussion: Q25-1 to 25-5, ST-1, 25-1, Mini-Case</p> <p>Turn in homework 23-4</p> <p>Assignment for week 9</p> <p>Read Chapter 26</p> <p>Homework 24-2 & 25-2</p> <p>Prepare for Final exam</p>
Week 9-February 27	<p>Topic: Chapter 26 Multinational Financial Management</p> <ul style="list-style-type: none"> • In class discussion: Q 26-1 to 26-10, P26-1, 26-2, 26-3, 26-4 • Final exam • Turn in Homework 24-2 & 25-2