

Course	FINC 5880 Advance Corporate Finance. Section 71		
Term	Summer 2008		
Instructor	Dr. Mohammed R. Ahmed Phone: (321) 454-9500 E-Mail: ahmedm@webster.edu (Please check your Webster e-mail few days before the class) Office Hours: 30 Minutes before class		
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		
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	<p>REQUIRED TEXTS: Brigham and Ehrhardt, Financial Management: Theory and Practice, Thompson/South-Western, 12th Edition, 2008, ISBN: 0-324-42269-5</p> <p>A Financial Calculator is required (Texas Instruments BA II Plus or Hewlett-Packard 10B).</p> <p>SUGGESTED SUPPLEMENTAL READINGS: Wall Street Journal, Annual Financial Reports, other Financial Periodicals as available.</p>																												
Grading	<table border="1" data-bbox="451 1016 1312 1318"> <thead> <tr> <th>COURSE REQUIREMENTS:</th> <th>% OF GRADE</th> </tr> </thead> <tbody> <tr> <td>a. Class Participation</td> <td>10%</td> </tr> <tr> <td>b. Exam I (Midterm)</td> <td>35%</td> </tr> <tr> <td>c. Exam II (Final)</td> <td>35%</td> </tr> <tr> <td>d. Financial Analysis Project</td> <td>20%</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table> <p>Taking the numerical score from the formula above and converting it to the appropriate letter grade from the chart determine the student's letter grading for the course.</p> <table border="1" data-bbox="678 1503 1084 1885"> <thead> <tr> <th>Letter Grade</th> <th>Numerical Score</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>96-100% (4.0)</td> </tr> <tr> <td>A-</td> <td>91-95% (3.67)</td> </tr> <tr> <td>B+</td> <td>87-90% (3.33)</td> </tr> <tr> <td>B</td> <td>82-86% (3.0)</td> </tr> <tr> <td>B-</td> <td>78-81% (2.67)</td> </tr> <tr> <td>C</td> <td>70-77% (2.0)</td> </tr> </tbody> </table>			COURSE REQUIREMENTS:	% OF GRADE	a. Class Participation	10%	b. Exam I (Midterm)	35%	c. Exam II (Final)	35%	d. Financial Analysis Project	20%	Total	100%	Letter Grade	Numerical Score	A	96-100% (4.0)	A-	91-95% (3.67)	B+	87-90% (3.33)	B	82-86% (3.0)	B-	78-81% (2.67)	C	70-77% (2.0)
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		F	69 & below (0)
		I	Incomplete (0)
		W	Withdrew
Activities	<ul style="list-style-type: none"> • Lectures • Class Discussions • Company Analysis 		
Policy Statements:	<p>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:</p>		
University Policies	<p>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.</p> <p>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 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>		
Course Policies	<p>Attendance at all class sessions is expected.</p> <p>Late weekly write-ups and written case assignments will be accepted if prior</p>		

	arrangements have been made with the instructor, but will be given reduced points based upon the number of class sessions it is late.
WEEK 1	PREPARATION FOR CLASS <i>Review Chapter 12: Cash flow Estimation and Risk Analysis</i> <i>Read: Chapter 13: Real Options</i> Homework: TBA
WEEK 2	PREPARATION FOR CLASS Read: Chapter 14: <i>Financial Forecasting</i> Chapter 16: <i>Capital Structure Decisions</i> Homework: TBA
WEEK 3	PREPARATION FOR CLASS Read: Chapter 19: <i>Initial Public Offering</i> Chapter 20: <i>Lease Financing</i> Homework: TBA
WEEK 4	PREPARATION FOR CLASS Read: Chapter 21: <i>Hybird Financing</i> Homework: TBA
Week 5 Schedule	Exam I (Midterm Exam)
WEEK 6	PREPARATION FOR CLASS Read: Chapter 24: <i>Bankruptcy, Reorganization and Liquidation</i> Chapter 25: <i>Mergers, LBO's, Divestitures and Holding Companies</i> Homework: TBA
WEEK 7	PREPARATION FOR CLASS Read: Chapter 26: <i>Multinational Financial Management</i> Homework: TBA
WEEK 8	PREPARATION FOR CLASS Read: Special Topics In Financial Management Homework: TBA
Week 9 Schedule	Exam II (Final Exam)

PURCHASING TEXTBOOKS--Most textbooks can be purchased through **MBS Direct**. Check the syllabus for textbook information. Give MBS Direct the campus location (for the purpose of ordering books the campus is **Space Coast Campus**, course name, number and section number (i.e. Space Coast Campus, COMP5000/64) and most important, the **title, author, edition, and ISBN** of the book you are ordering. MBS Direct will buy back your book at the end of the term should you elect not to retain it as a reference book. Order by phone or online. Orders should be placed no earlier than 4 weeks prior to the start of the term.

MBS Direct: 1-800-325-3252

MBS Direct Website: www.mbsdirect.net/webster

Monday-Thursday, 7am-10pm (Central Time)

Friday, 7am-6pm (Central Time)

Saturday, 8am-5pm (Central Time)

Sunday, noon-4pm (Central Time)

In order to meet the course objectives this syllabus may be modified at the discretion of the instructor without approval of the students.

Original approved by:

Dr. Calvin D. Fowler Academic Dean Space Coast Region, July 12, 2007

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