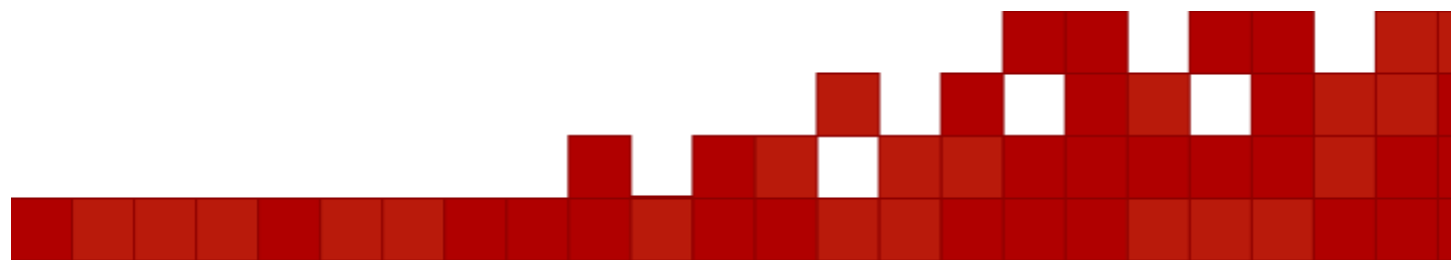


Syllabus



Course Information

Course Number: FIN624851

Course Title: Corporate Finance II

Faculty Contact Information

Instructor: Dr. Yan Zhao

Email: yzhao@njit.edu

Office Hours: via WebEx

Course Description

This is a second course in Corporate Finance. It aims to develop an understanding of how and why financial decisions are made in a modern corporation. These decisions include what assets to invest in and how to finance those investments. The course extends the material covered in the introductory course and covers additional topics that were not included there. We will study methods for calculating the values involved in financial decisions and some of the theories behind them. The goal is to provide students with the conceptual tools necessary for valuation.

Topics Covered:

- Efficient capital markets and behavioral finance
- Capital structure and MM Theorem
- Issuing securities
- Valuation of derivatives
- Short-term finance and planning

- Mergers and acquisitions

Throughout the course, our primary viewpoint is that of a corporate financial manager; however, since corporations get funds from investors, we will often look at issues from an investor's point of view and then examine the implications for managers.

This course is essential for anyone planning a career in finance, whether at a corporation or a financial institution, and it is recommended for all business students. This course is demanding. You need passion and time to excel.

Textbook and Materials

Required:

- Ross, S., Westerfield, R., & Jaffe, J. Corporate Finance. McGraw-Hill, 12th edition, 2019, ISBN 9781259918940. (Older edition is fine)
- You are also strongly encouraged to read other economic and financial publications such as Financial Times, Business Week, or the Economist.

Financial Calculator:

A financial calculator is **STRONGLY RECOMMENDED!** I recommend the Texas Instrument BAII Plus financial calculator. If you have another financial calculator that you are comfortable with, you may use it. TI - BA II Plus and HP 12C are the only two calculators permitted on the CFA Exams. *It is your own responsibility to learn how to use your calculator.*

Course Outcomes

- a. To introduce the subject of corporate financial management
- b. To identify factors that impact financial decision-making, implementation and evaluation
- c. To understand how corporations raise equity and debt capital
- d. To learn the basic techniques of valuing options and futures
- e. To learn and understand short-term finance and planning
- f. To understand mergers and acquisitions

Learning Goal 1: Analytical & Problem Solving Skills

- **Learning Outcome 1.1** Demonstrates knowledge of concepts in corporate finance and the ability to apply these concepts to solve financial problems, such as MM theorem
- **Learning Outcome 1.2** Ability to use quantitative methodologies, such as options pricing, as tools to help understand financial problems

Learning Goal 2: Information & Communication Skills

- **Learning Outcome 2.1** (Oral Communication) Ability to deliver effective presentations enhanced by technology
- **Learning Outcome 2.2** (Written Communication & Information Literacy) Ability to write clear and concise reports

Learning Goal 3: Reflective Thinking Skills

- **Learning Outcome 3.1** Ability to think and understand various concepts clearly

Learning Goal 4: Ethical Understanding & Reasoning Abilities

- **Learning Outcome 4.1** Understand the moral implications and ethical schema of individual (financial managers and corporate executives) and corporation decisions and actions

Grading Scale

| Grade | Percentile | Percentage |
|-------|------------|------------|
| A | 4 | 90-100% |
| B+ | 3.5 | 85-89.99% |
| B | 3 | 80-84.99% |
| C+ | 2.5 | 70-79.99% |
| C | 2 | 60-69.99% |
| F | N/A | < 60% |

Grading Categories

| Categories | Percentage |
|-------------------|------------|
| Group Project | 10 |
| Weekly discussion | 10 |
| Quizzes | 20 |
| Midterm Exam | 30 |
| Final Exam | 30 |

Group Project (10%):

- Everyone will be part of a group project measuring corporate performance
- Each group will submit a research report at the end of the semester

Weekly discussion (10%)

- I will post an article and discussion questions each week.
- You have to read the article, post at least one response to each question, AND respond to at least one question from one of your classmates.

Quizzes (20%)

There will be weekly online quizzes for each module due on each Sunday. There will be no make-up quizzes, no exceptions. Please check the due dates and make sure you do NOT miss any quiz.

Exams (60%)

There will be two exams, 30% each. The Midterm Exam covers Module 1 – 6. The Final Exam covers the remaining modules. There will be no make-up exams, no exceptions. Please check the due dates and make sure you do NOT miss any exam. “Respondus Monitor and LockDown Browser” will be used to comply with NJIT policies. Please read detailed instructions on Canvas. During the exams, the followings are

Allowed:

- Scratch paper
- Financial calculator (Cell phone app of the financial calculator is not allowed)

NOT allowed

- formula sheet/cheat sheet
- Textbooks /Lecture notes
- Excel files can’t be opened due to the use of “Respondus Monitor and LockDown Browser”
- Cellphone and other electronic equipment

Time Commitment

This course requires not only much reading, but also requires students to stay on top of current events in reference to the content. Students will be responsible for working with their designated groups at a time and in a manner that works for all team members. Students are also responsible for addressing all deliverables of the course. Review the Course Schedule to see what will be due in the upcoming modules.

Sharing Information

With respect to your answers on the problem sets, midterm exam, and final exam, no common or group answers will be accepted to any question. Further, any material from the text should *not* be quoted but must be paraphrased in your own words.

Student Conduct

The NJIT University code on academic integrity, found at <http://www5.njit.edu/policies/sites/policies/files/academic-integrity-code.pdf>, will be followed in all courses.

Student with Disabilities Codes

NJIT adheres to section 504 of the Rehabilitation Act (ADA) of 1990. Appropriate accommodations are provided at no cost to the student. If you have any questions or would like additional information, please contact Dr. Phyllis Bolling, Center for Counseling and Psychological Services (C-CAPS), Campbell Hall, (entry level), room 205, (973) 596-3420. For further information, visit the [Student Disability Services](#) website.

Technical Support

For assistance with the following items, please contact NJIT IST Helpdesk at: 1-973-596-2900 or <http://ist.njit.edu/support/helpdesk.php>

- UCID
- Library database access
- Webmail by Google email system
- Sessions
- Password assistance*

For assistance with the following items, please contact Technical Support at: 1-888-789-0407 or <https://supportcenter.embanet.com/NJIT>

- Content within this course
- Assignments
- Discussion Forums
- Quizzes

- Exams
- All other items related to the running of this course

*NJIT passwords may be changed using the [Global Password Change mechanism](#). You will need to know your current UCID and UCID password. Questions can be referred to 1-973-596-2900.

Periodic changing of passwords and strategies for managing them are best practice for anyone using a computer. All members of the university community are encouraged to review [tips for password management](#) and to change passwords regularly.

Software and Hardware Requirements

Sometimes, you will be required to use word processing and presentation software, such as MS Word and PowerPoint found in Microsoft Office. You will also need to be comfortable with various aspects of using the Internet such as:

- Search engines
- Newsgroups
- E-mail
- Ability to download files

To view certain media elements in this course, you will need to have several browser plug-ins such as Shockwave, Flash, and Adobe Acrobat on your computer. Use the links in the course to download and install the appropriate software application.

Important: With regards to plug-ins, ensure you are using the most recent version of each plug-in you require. View the [hardware and software requirements](#) for this course.

Browser Check

To test your web browser for compatibility in the Moodle environment, go to the [Online Support Center](#) page and select the "Check My Browser" link located on the right side.
