



**FIN 600 – Corporate Finance I**  
**Section 101**  
**3 credits**  
**SYLLABUS**  
*Fall 2024*

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Instructor: Dr. Xinyuan (Stacie) Tao

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Classroom: KUPF 208

Email: xtao@njit.edu

Class Hours: Th 6 – 8:50 PM  
(Hybrid, meet in person biweekly)

Phone: 973-596-6420

Class Dates: Sep 3 – Dec 21

Office Hour: Wed 7 – 8pm & Thu 3 - 5pm (or by appointment) via Zoom

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**Course Overview**

Fin 600 is the traditional first course in corporation finance common to master programs, focusing on how firm managers make their financing and investing decision to run their business. Topics include the financial statement analysis, time value of money, bond and equity valuation, risk and return, capital budgeting, capital structure, dividends, and so forth. We will consider these topics mainly from the point of view as a manager (insider), and sometimes from the point of view as an investor (outsider) where appropriate.

**Required Course Materials:**

You should have a working knowledge of basic algebra and statistics and feel comfortable doing quantitative exercises. Because this course involves intensive number analysis, you should be familiar with some sort of software, e.g. Microsoft Excel. Some knowledge of accounting, micro and macroeconomics would be helpful.

1. Textbook: Ross, Westerfield, Jaffe and Jordan, *Corporate Finance*, 13th Ed., McGraw-Hill Irwin. *Recommended*. Earlier editions also work but you need to match in two editions.

Textbook Web site: <https://www.mheducation.com/highered/product/corporate-finance-ross-westerfield/M9781260772388.html>

2. Financial Calculator: A financial calculator is 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. However, I will use the TI BAII Plus for in-class examples. 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.
3. Business news: You are also strongly encouraged to read other economic and financial publications such as Financial Times, Business Week, or the Economist

### **Learning Outcomes:**

After taking the course, students are expected to know fundamental business concepts, especially related to corporate finance, and to understand the goal and main functions of firm management. Beyond basic quantitative models, graduate students are expected to be able to apply those models to conduct financial statements analysis and scenario analysis, which helps to solve real business problems. Students are required to conduct fundamental analysis of one selected firm and present to the class as a group. This presentation enhances students' understanding of finance and their ability to communicate, but also develops their critical thinking of complex information.

<b>Competencies</b>	<b>Outcome</b>
<b>LC 1</b> Develop the Ability to Apply Corporate Finance Concepts and the Basic Quantitative Skills to Solve Problems	<b>LO 1.1</b> Our students will explain firms' fundamental concepts and compare firms' fundamentals
	<b>LO 1.2</b> Our students will analyze firm problems and explore classical solutions
	<b>LO 1.3</b> Our students will evaluate and formulate firm problems using quantitative models
<b>LC 2</b> Develop Effective Communication Skills	<b>LO 2.1</b> Our students will execute effective presentations enhanced by technology
	<b>LO 2.2</b> Our students will assemble clear and concise reports based on relevant information
<b>LC 3</b> Interact Effectively in Teams	<b>LO 3.1</b> Our students will apply and use team building behaviors to handle group tasks

## How to join Zoom:

Can join Zoom via Canvas

☰ FA24-FIN600101 > Zoom

The screenshot shows the Zoom web interface. On the left is a navigation menu with options: Home, Syllabus, Modules, Zoom (highlighted), Panopto Video, Grades, Assignments, Gradescope, Quizzes, Discussions, Harmonize, People, and New Analytics. The main content area has tabs for 'Upcoming Meetings', 'Previous Meetings', and 'Cloud Recordings'. Below the tabs is a table of upcoming meetings. The table has columns for Start Time, Topic, Section, Meeting ID, and a 'Join' button. The first meeting is on Wednesday, September 11, at 7:00 PM, with Meeting ID 975 3766 1377. The second meeting is on Thursday, September 12, at 3:00 AM, with Meeting ID 912 4986 0258. The third meeting is on Wednesday, September 18, at 7:00 PM, with Meeting ID 975 3766 1377. The fourth meeting is on Thursday, September 19, at 3:00 AM, with Meeting ID 912 4986 0258. Each meeting has a 'Join' button and an 'Invitation' link.

Start Time	Topic	Section	Meeting ID	Join
Wed, Sep 11 (Recurring) 7:00 PM	FA24-FIN600101 Office hours Wed 7-8pm EST		975 3766 1377	<a href="#">Join</a> <a href="#">Invitation</a>
Thu, Sep 12 (Recurring) 3:00 AM	FA24-FIN600101 Office hours Thu 3-5pm EST		912 4986 0258	<a href="#">Join</a> <a href="#">Invitation</a>
Wed, Sep 18 (Recurring) 7:00 PM	FA24-FIN600101 Office hours Wed 7-8pm EST		975 3766 1377	<a href="#">Join</a> <a href="#">Invitation</a>
Thu, Sep 19 (Recurring) 3:00 AM	FA24-FIN600101 Office hours Thu 3-5pm EST		912 4986 0258	<a href="#">Join</a> <a href="#">Invitation</a>

Other ways to join:

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Office hours: Wed 7-8pm EST

Meeting ID: 975 3766 1377

Passcode: 0000

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Office hours: Thu 3-5pm EST

Meeting ID: 912 4986 0258

Passcode: 0000

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Xinyuan Tao's Personal Meeting Room

<https://njit->

[edu.zoom.us/j/4964332725?pwd=eE0zRi8ya0V0cGFnMmxyTmpEdW1aUT09](https://njit-edu.zoom.us/j/4964332725?pwd=eE0zRi8ya0V0cGFnMmxyTmpEdW1aUT09)

Meeting ID: 496 433 2725

Passcode: 5555

## Course Website: Canvas

The Canvas site is where most course materials are posted. I will use Canvas to post all course materials including announcements, assignments, quizzes and etc. So, **please be sure to check the site (canvas.njit.edu) frequently**. Please contact helpdesk (973-596-2900) for problems associated with Canvas. **Important announcement will be released**

as weekly reminder under Canvas “Announcements”. There is no excuse for not receiving information via email.

### **Grading Policy**

Final grades will be based on the weights as follows:

<b>Task</b>	<b>Points</b>
Tests/Exams	25*2
Project	25
Quizzes	5*4
Participation	5
News presentation (individual) <sup>1</sup>	up to 3
Bloomberg Market Concepts (BMC) <sup>2</sup>	4
AOL assessment <sup>3</sup>	1
<b>Total</b>	<b>108</b>

**Letter grade is based on points.**<sup>4</sup> The scale used for grading is as follows:

<b>Grade</b>	<b>Scores</b>
A	scores $\geq 90$
B+	$85 \leq \text{scores} < 90$
B	$80 \leq \text{scores} < 85$
C+	$70 \leq \text{scores} < 80$
C	$60 \leq \text{scores} < 70$
F	scores $< 60$

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<sup>1</sup> Students have the option to present recent news in business (within last 3 months) with length 6-10 minutes. Email me 48 hours ahead and present at the beginning of each lecture classes **by the end of Nov 14 Thu**. There are up to 3 points based on quality of content, presentation slides quality and presenting performance.

<sup>2</sup> Bloomberg Market Concepts (BMC) is an 8-hour, self-paced, e-learning video course consisting of four modules: Economic Indicators, Currencies, Fixed Income and Equities. See details: <https://researchguides.njit.edu/bloomberg/curriculum>

To get this extra 4 points, you need finish BMC and send me the certificate by **Dec 18 Wed. Later submission is not credited.**

<sup>3</sup> AOL assessment is required and due by Dec 18 Wed, not included in grading. BUT, if your answer gets fully correct, will get extra 1 point.

<sup>4</sup> Letter grade is based on points, rather than percentage on Canvas. Canvas Total is likely based on equal weights and does not apply to this course.

## **Exams**

There will be **three** exams in total. Two higher scores will be recorded, each accounting for 25 points, i.e., the lowest score will be dropped and missing one will not affect.

Exams most likely will be a mixture of multiple-choice questions, quantitative problems, and open-ended questions. One extra-credit question might be asked. If you get it right, your grade will be curved up but never curved down.

Exam 1 will be on **10/17 Thu**, Exam 2 will be on **11/26 Tue**, and Exam 3 (final exam) will be scheduled by NJIT during the final exam week. Exam 1 is not cumulative, while Exams 2 and 3 are cumulative. Early exam can be requested and needs my approval (no later one). If you missed anyone of Exam 1 or Exam 2, there is no make-up and you will be required to take Exam 3 (final exam) during the final exam week. You can request for an additional exam only if you have to miss two exams for serious illness or unexpected emergency. To request, you **must** first get the approval from the Dean of Students and Campus Life at [dos@njit.edu](mailto:dos@njit.edu) for **both** situations.

Three exams are all open book and paper exams by default. Please be aware that Canvas exams can be requested with browser lockdown.

## **Project and Presentation**

Group project and presentation accounts for 25 points of your final grade. More details can be referred to the end of this syllabus.

## **Homework/Quizzes**

Homework is an integral part of the course, which offers a good opportunity to review what you have learned in the class. You may discuss jointly with your peers on homework assignments. However, I strongly recommend that you try to solve the questions independently. This will help you to better understand the theories and analytical tools that will be covered on the exams.

In this course, homework assignments are designed as in-class quizzes. Quizzes will be posted and done via the NJIT Canvas under “Assignments”, **due by the end of the class** and due date can be referred to the syllabus (see tentative calendar).

There are four quizzes in total, which accounts for 20 points of your final grade (5 points each). Quizzes offer unlimited attempts with the highest score recorded. **No late/make-up quizzes are allowed.**

## **Attendance and in-class participation**

This course is designed with face-to-face delivery mode **biweekly** (see tentative calendar). **Cannot attend online.**

In-class attendance and participation are expected and credited. You are encouraged to raise questions, answer questions, share thoughts and discuss topics. One missing for things unexpected can be understandable and no verification is required.

All three exams (both paper and Canvas ones) and presentation of project take place in the classroom during the class hours. To request any exception, you **must** first get the approval from the Dean of Students and Campus Life at [dos@njit.edu](mailto:dos@njit.edu)

### **Email Etiquette**

This is a business course, and the expectation is that you will conform to appropriate business letter writing practice in all of your email to me. The following are the basics.

- Put the course name (e.g. FIN 600) in the subject line
- Identify the subject of the e-mail with a brief but descriptive summary of the topic
- Proofread your e-mail for proper sentence structure, capitalization, spelling and punctuation

(Note: Do not e-mail requests for additional grade points unless there is an error in the grading. Grades are not ‘given out’ by the professor; they are ‘earned’ by the student. So, make sure that you ‘earn’ a grade that you can live with.)

### **Academic Integrity**

Learning is both an individual and a cooperative experience. Asking for and giving help freely in appropriate settings helps you learn. However, you should present only YOUR work as your own. University rules and standards define and prohibit “academic misconduct” by all members of the academic community including students. You are asked and expected to be familiar with these standards and abide by them.

Academic Integrity is the cornerstone of higher education and is central to the ideals of this course and the university. Cheating is strictly prohibited and devalues the degree that you are working on. As a member of the NJIT community, it is your responsibility to protect your educational investment by knowing and following the academic code of integrity policy that is found at: <http://www5.njit.edu/policies/sites/policies/files/academic-integrity-code.pdf>.

Please note that it is my professional obligation and responsibility to report any academic misconduct to the Dean of Students Office. ***Any student found in violation of the code by cheating, plagiarizing or using any online software inappropriately will result in disciplinary action. This may include a failing grade of F, and/or suspension or dismissal***

*from the university.* If you have any questions about the code of Academic Integrity, please contact the Dean of Students Office at [dos@njit.edu](mailto:dos@njit.edu).

### **Accommodations for Students with Disabilities**

Students with special needs as outlined under the Americans with Disabilities Act should first register with the Counseling Center, 205 Campbell Hall 973 596-3414. Go to the web site <https://www.njit.edu/accessibility/accommodations-and-support-services> for more information. If you wish to have a reasonable accommodation made for you in this class, please discuss the matter with me at the earliest possible time.

### **Tentative Calendar:**

Please note that this is a tentative schedule. I reserve the right to adjust if necessary and new version will be announced via Canvas. You are responsible for knowing what is in the latest version.

<b>Dates</b>	<b>Day</b>	<b>Schedule</b>	<b>Textbook chapter</b>	<b>Notice</b>
<b>9/5/2024</b>	<b>Th</b>	Syllabus, Intro, Financial statement	<b>1, 2, 3</b>	<b>Meet in person</b>
9/12/2024	Th			Quiz 1
<b>9/19/2024</b>	<b>Th</b>	Discounted cash flow	<b>4, 5</b>	<b>Meet in person</b>
9/26/2024	Th			Quiz 2
<b>10/3/2024</b>	<b>Th</b>	Bond and equity valuation Review session	<b>8, 9</b>	<b>Meet in person</b>
10/10/2024	Th			Prepare for EXAM1
<b>10/17/2024</b>	<b>Th</b>	Capital investment, risk analysis and budgeting Artificial Intelligence (AI) Introduction Project Introduction <b>EXAM 1</b>	<b>6, 7</b>	<b>Meet in person</b>
10/24/2024	Th			Prepare for group project + Quiz3
<b>10/31/2024</b>	<b>Th</b>	Risk and return Capital structure	<b>10, 11, 12, 13</b>	<b>Meet in person</b>
11/7/2024	Th			Prepare for group project + Quiz4
<b>11/14/2024</b>	<b>Th</b>	Review session Group project		<b>Meet in person</b>
11/21/2024	Th			Prepare for EXAM2
<b>11/26/2024</b>	<b>Tue</b>	Group project <b>EXAM2</b>	change to Tue due to Thanksgiving	<b>Meet in person</b>
12/5/2024	Th			Prepare for FINAL
<b>TBD</b>		<b>FINAL</b>		



## **Project and Presentation**

Finance is more than theory and formula. Learning and understanding what is happening in the real business world is also of great importance. As a graduate student, you are expected to conduct fundamental analysis and communicate efficiently with people.

Objective of the project: suppose you are the financial analyst of a given firm, you need to conduct comprehensive analysis and offer the conclusive guidance to your clients whether the firm is worthy to invest or not in the short run (such as in few weeks/months).

Project accounts for 25 points and 2 extra points based on the price prediction

### **Due by Nov 13 Wednesday**

Guidance:

- Group: 3 – 5 members (self select), individual is also allowed
- Presented by one or multiple members on the day of presentation
- Select one stock/firm, analyze its performance, compares with its competitors, and predict its future stock price in near future, i.e., predict the closing price on Nov 20 Wednesday
  - Team information and price prediction (with extra points) must be submitted by **Oct 31 Thursday**. Late information submission will lead to points deduction. Late prediction is NOT allowed
  - If predicted price is close to realized future price (within  $\pm 5\%$  or  $\pm \$10$ , whichever is smaller), get extra 1 point
  - If predicted price is more accurate than AI prediction, get extra 1 point
- Prepare the presentation (10 - 15 minutes) with visual notes (such as PowerPoint slides, PDF, and so forth)
  - Watch out time control. Shorter than 10 minutes and longer than 15 minutes will lead to points deduction.  $\leq 7$  minutes will be considered as low quality with insufficient content and with no more than 20 points (including extra points)
  - Lecture content should NOT be repeated and presented
- Some guidelines for your information (NOT necessarily be the same)
  - Group member
  - Selected firm, why you choose the firm, introduction of the firm (industry, business, its current market cap, stock price in the previous 6 months, executive summary, and etc)
  - Financial statement analysis (most recent annual 10-K or quarterly 10-Q report) <https://www.sec.gov/edgar/searchedgar/companysearch.html>
  - Capital budgeting (investment) and capital structure (financing) analysis<sup>5</sup>

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<sup>5</sup> Capital budgeting analysis, for example, you could study the asset part of the balance sheet. In particular, capital expenditures are directly associated with investment decisions. You could get the ratio of capital expenditures over total assets of the firm and compare current one with previous one or compare this firm with its competitors. Other related items can be purchases of property, plant, and equipment (PP&E), R&D expenditures, and Management's Discussion and Analysis.

- Risk and return analysis in the stock market<sup>6</sup>
- Industry and market analysis (such as competitors and macro factors)
- Valuation analysis (what is your predicted price for closing price on Nov 20 Wednesday, and how you predict; quantitative prediction model using programming and excel is optional yet strongly encouraged such as Python LTSM/GRU/GPT/TCN and Excel DCF)
- Reference
- Grading will be based on content, **visual notes format**, presentation performance, and timing. Grading will be the same among teammates, assuming equal contribution
  - After the submission of team information and price prediction, any change must get consensus among all teammates. Team leader can send me the change and cc all other teammates

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Capital structure analysis: you could calculate the long-term and short-term financing status (from CH3 ratio analysis) and compare the current one with previous one or compare this firm with its competitors.

<sup>6</sup> Risk and return analysis, for example, you could check the beta (measure of systematic risk), compute holding period return and return standard deviation over the past 6, 12, 36-month return, and also get firm's profitability and analysts' forecast, for example: <https://finance.yahoo.com/quote/AAPL/analysis?p=AAPL>