



**FIN 600 – Corporate Finance I**

**Online session 853**

**Fall 2024, Sep 03 – Dec 21**

**3 credits**

**SYLLABUS**

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Office Hour: By appointment

**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.

**Recommended 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 chapters in two editions.<sup>1</sup>

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. 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

### **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 announcements will be released as weekly reminder under Canvas “Announcements”.** There is no excuse for not receiving information via email.

**Component % of Grade**

Exam 1	15%
Exam 2	15%
Final Exam	20%
Assignments/Quizzes	20%
Discussions & Participation	20%
Term Project	10%
<b>Total</b>	<b>100%</b>

**The scale used for grading is as follows:**

90% - 100%	<b>A</b>
<b>85% - 89%</b>	<b>B+</b>
<b>80% - 84%</b>	<b>B</b>
<b>75% - 79%</b>	<b>C+</b>
<b>70% - 74%</b>	<b>C</b>
<b>60% - 69%</b>	<b>D</b>
<b>Below 60%</b>	<b>F</b>

**Exams**

Totally, there will be *three* exams. Exam 1 & 2 account for 30% of your final grade (15% each) and the Final exam is worth 20%. Exams will be a mixture or combination of multiple-choice questions, quantitative problems, and open-ended questions.

Exam 1 will be available during **Oct 3-6**, Exam 2 will be **Oct 31 – Nov 3**, and Exam 3 (final exam) will be determined by NJIT during the final exam week.

**There is absolutely no Exams make up; it your responsibility to ensure that you take the Exams when assigned. If you have an unavoidable emergency that caused you to miss any of the Exams, then you must request** approval from the Dean of Students and Campus Life for **the given situation**. All three exams will be done via Canvas, open book with browser lockdown.

Letter grade is based on points. Please do not look at the percentage on Canvas, which simply uses equal weights and does not apply to this course.

### **Projects**

As this is a graduate level course, it is important to apply what you have learned to conduct business analyses. Term Project is an integral part of your course and it account for 10% of your final grade. The professor will provide more details as the semester progresses. Again, **no late submission/make-up is allowed.**

### **Homework**

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 be 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 quizzes. Quizzes will be posted and done via the NJIT Canvas under “Assignments”. All weekly Quizzes are due Sunday 11:59pm **EST**. There are fourteen quizzes in total (one per week) which account for 20% of your total grade. Quizzes offer three attempts with the highest score recorded. **No late/make-up quizzes are allowed.** Weekly reminder will be announced for you.

### **Online participation**

According to NJIT eLearning Rubric and to ensure the teaching effectiveness, weekly online interactions are required among students and the instructor. Accordingly, this course has designed various online activities. The class is designed that weekly discussions count as participation and account for 20% of your final course grade.

### **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 ONLINE) 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](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 and posted on Canvas. You are responsible for knowing what is in the latest version.

Week	Date	Topic	Checklist	Assignments due <u>Sundays at 11:59 PM</u>	CollegeWide Actions
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1	Sep 03 – Sep 08	Syllabus Ch. 1 Introduction to Corporate Finance.	Ch. 1 PowerPoint Ch. 1 Quiz Ch. 1 eBook Discussion 1	Chapter 1 Quiz & DQ 1 Due 9/8	9/3 First Day of Classes
2	Sep 09 – Sep 15	Ch 2. Financial Statements & Cash Flow	Ch. 2 PowerPoint Ch. 2 Quiz Ch. 2 eBook Discussion 2	Chapter 2 Quiz & DQ 2 Due Due 9/15	9/9 Last Day to Add/Drop a Class
3	Sep 16 – Sep 22	Ch 3. Financial Statements Analysis and Financial Models	Ch. 3 PowerPoint Ch. 3 Quiz Ch. 3 eBook Discussion 3	Chapter 3 Quiz & DQ 3 Due 9/22	
4	Sep 23 – Sep 29	Ch. 4 – Discounted cash flow Valuation	Ch. 4 PowerPoint Ch. 4 Quiz Ch. 4 eBook Discussion 4	Chapter 4 Quiz & DQ 4 Due 9/29	
5	Sep 30– Oct 06	Ch. 5 – NPV and Other Investment Rules	Ch. 5 PowerPoint Ch. 5 Quiz Ch. 5 eBook Discussion 5  Test #1 (Ch. 1-5)	Chapter 5 Quiz & DQ 5 Due 10/6  Test #1 (Ch. 1-5)	
6	Oct 07 – Oct 13	Ch. 8 -Interest Rates and Bond Valuation	Ch. 8 PowerPoint Ch. 8 Quiz Ch. 8 eBook Discussion 6	Chapter 8 Quiz & DQ 6 Due 10/13	
7	Oct 14 – Oct 20	Ch. 9 – Stock Valuation	Ch. 9 PowerPoint Ch. 9 Quiz Ch. 9 eBook Discussion 7	Chapter 9 Quiz & DQ 7 Due 10/20	
8	Oct 21 – Oct 27	Ch. 6 – Making Capital Investment Decisions	Ch. 6 PowerPoint Ch. 6 Quiz Ch. 6 eBook Discussion 8	Chapter 6 Quiz & DQ 8 Due 10/27	
9	Oct 28 – Nov 03	Ch. 7 – Risk Analysis, Real Options, and Capital Budgeting.	Ch. 7 PowerPoint Ch. 7 Quiz Ch. 7 eBook Discussion 9	Chapter 7 Quiz & DQ 9 11/03 Test #2 (Ch. 6 - 9)	

10	Nov 04 – Nov 10	Ch. 10 – Lessons from Market History	Ch. 10 PowerPoint Ch. 10 Quiz Ch. 10 eBook Discussion 10	Chapter 10 Quiz & DQ 10 Due 11/10	
11	Nov 11 – Nov 17	Ch. 11 – Return, Risk, and Capital Asset Pricing Model.	Ch. 11 PowerPoint Ch. 11 Quiz Ch. 11 eBook Discussion 11	Chapter 11 Quiz & DQ 11 Due 10 11/17	
12	Nov 18 – Nov 24	Ch. 12 – An Alternative View of Risk and Return	Ch. 12 PowerPoint Ch. 12 Quiz Ch. 12 eBook Discussion 12	Chapter 12 Quiz & DQ 12 Due 11/24	
13	Nov 25 – Dec 01	Ch. 13 – Risk, Cost of Capital, and Valuation	Ch. 13 PowerPoint Ch. 13 Quiz Ch. 13 eBook Discussion 13	Chapter 13 Quiz & DQ 13 Due 12/01	Thanksgiving Day - 11/28
14	Dec 02 – Dec 08	Ch. 16 – Capital Structure: Basic Concepts	Ch.16 PowerPoint Ch. 16 Quiz Ch. 16 eBook	Chapter 16 Quiz Due 12/08	
15	Dec 09 – Dec 15	Final Exam	Dec 15 - 21	<b>Final Exam (Ch. 10, 11, 12, 13, &amp; 16)</b>	

### **Appendix A. Online Participation**

According to NJIT eLearning Rubric and to ensure the teaching effectiveness, weekly online interactions are required for students and the instructor. Accordingly, this course has designed weekly online activities which account for 20% of your final grade.

You are required to participate fully by posting your original response to the discussion question and two feedback responses to other students' post. Therefore, at a minimum, you need three posts to meet weekly participation.

- Reply with your answers/thoughts is considered as *one* participation. Please note: multiple replies under the same discussion are considered as *one* participation.
- Can echo others' reply with reasonable answers (not just simply click like or just say "I agree")
- Please expect that instructor will respond (not to each reply) and do grading twice

during the semester: one in 3-4 weeks after the week of each discussion assignment and another after the due. If you are looking for any timely opinion or answer from me, it is better to email me ([john.hammond@njit.edu](mailto:john.hammond@njit.edu) with subject “FIN 600 online”) .  
Totally 10 discussions

### **Appendix 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 required to conduct fundamental analysis of financial statements and present your findings. To this end, you will be given a term project to incorporate the fundamental concepts you will be learning in this class.