

BA in Management Program
Spring 2021
FIN-401 Corporate Finance

Instructor: Sureyya Burcu Avci

Office: SOM 1180

Phone: 2069

Zoom: ID: 731 016 1480, Password: 376743

Zoom Connection Link:

<https://sabanciuniv.zoom.us/j/7310161480?pwd=QjN2ZGhDZTdqYXNlbnJvbnFFDSjBOQT09>

E-mail: burcu.avci@sabanciuniv.edu

Web: <https://sucourse.sabanciuniv.edu/plus/course/view.php?id=2511>

Office Hours: By appointment

Type	Time	Days	Where
Class	12:40 pm – 13:00 pm	M	Zoom
Class	13:00 pm - 15:30 pm	M	Video lectures

Course Objective:

This course develops an understanding of the theoretical and practical issues relating to corporate financial management. Corporate finance addresses three main problems of any firm: The investment decision, the financing decision, and the dividend decision. The investment decision problem questions which projects to pursue in order to maximize shareholder wealth. The financing decision addresses how to finance projects. The dividend decision investigates how much cash you should return to your investors. Topics covered in the course include: valuation of stocks and bonds, investment decision criteria, capital budgeting, cost of capital, capital structure, long-term financing, short-term financing and cash management, financial distress, and additional financial tools that provide hedging in international financial markets.

Learning Outcomes:

1. Describe the goal of corporate financial management.
2. Assess the risk and return of projects and use different decision-making criteria to evaluate projects.
3. Interpret valuation techniques of companies with diverse capital structures.
4. Assess cost of capital.
5. Distinguish optimal capital structure.
6. Discuss long-term financial planning.
7. Explain short-term financial management.
8. Classify conditions under financial distress.

Course Material:

Required textbook: Ross, Westerfield, Jaffe, and Jordan (RWJJ), Corporate Finance, 12th Edition, McGraw Hill.

Weekly assignments will be handled through McGraw-Hill's Connect website. Students are required to access Connect website using the codes that come with the textbook (or purchased separately). The bookstore at Sabanci University has the Connect codes for sale at discounted prices. Please note that other online vendors may sell invalid, used or expired codes which may not work for this course. The link to buy the book is as follows:

<https://www.homerbooks.com/urun/corporate-finance-connect-code>

The bookstore runs out of storage time to time. In such cases, please order the book online and let me know. I will try to expedite your orders.

Please note that you must register to the Connect section you are officially enrolled in and use your Sabanci email during registration. If you still have questions after you read the "Connect Instructions" file, you may email Hakan Haktanir at McGraw-Hill for support (hakan.haktanir@mheducation.com).

Students must also download the Top Hat app on their phones or tablets (search for "Top Hat" on the Appstore or Google Play) and sign up to the class roster using their Sabanci email addresses. The steps for signing up on the Top Hat app is provided in a separate document.

Optional Reading Material:

The Wall Street Journal (available @IC through ProQuest), The New York Times Business Section, Financial Times, BusinessWeek, Dealbook @NYT.

Course Web:

SuCourse will be actively used throughout the semester. Students should check their accounts frequently to ensure that they have the most recent course materials. Course slides and announcements will be posted on SuCourse. We will use McGraw-Hill's Connect portal for solving weekly assignments and Top Hat for handling in-class quizzes.

Instructional Design:

In-class discussions:

Each week's class will start with a short discussion of video lectures. Students are expected to read the assigned documents and videos before class and actively participate in discussions. Students are expected to turn on their cameras during lectures, and their microphones when they speak.

In-class quizzes:

In-class quizzes consist of brief questions related to the course material. They can be used to check for attendance as well. Quizzes will be presented on Top Hat. Please make sure that you can use the Top Hat app on your computer without technical problems.

The lowest 20% of the in-class quiz grades will be dropped at the end of the semester. If 20% corresponds to a fraction, the resulting number will be rounded to the closest integer. There are no make-up assignments for in-class quizzes. Students must turn on their cameras during quizzes.

Weekly assignments:

There are 12 weekly assignments during the semester. The due dates of the weekly assignments are shown in the course outline. The lowest two weekly assignment grades are dropped at the end of the semester. There are no make-up assignments for the weekly assignments.

Take-home midterm exam:

There will be a take-home midterm exam in the middle of the semester. I plan to assign it on April 5 and collect back within a week. It will measure your overall knowledge and problem solving skills about the chapters that we have studied.

Take-home final exam:

There will be a take-home final exam at the end of the semester. I plan to assign it on May 17 and collect back within a week. It will measure your overall knowledge and problem solving skills in corporate finance.

Grading:

In-class quizzes	: 15%
Weekly assignments	: 20%
Take-home midterm exam	: 30%
Take-home final exam	: 35%

Academic Honesty:

Learning is enhanced through cooperation and as such you are encouraged to work in groups, ask for and give help freely in all appropriate settings. At the same time, as a matter of personal integrity, you should only represent your own work as yours. Any work that is submitted to be evaluated in this class should be an original piece of writing, presenting your ideas in your own words. Everything you borrow from books, articles, or web sites (including those in the syllabus) should be properly cited. Although you are encouraged to discuss your ideas with others (including your friends in the class), it is important that you do not share your writing (slides, MS Excel files, reports, etc.) with anyone. Using ideas, text and other intellectual property developed by someone else while claiming it is your original work is *plagiarism*. Copying from others or providing answers or information, written or oral, to others is *cheating*. Unauthorized help from another person or having someone else write one's paper or assignment is *collusion*. Cheating, plagiarism and collusion are serious offenses that could result in an F grade and disciplinary action. Please pay utmost attention to avoid such accusations.

Classroom policies and conduct

Sabancı BA in Management Program values participatory learning. Establishing the necessary social order for a participatory learning environment requires that we all:

- Come prepared to make helpful comments and ask questions that facilitate your own understanding and that of your classmates. This requires that you complete the assigned readings for each session before class starts.
- Listen to the person who has the floor.
- Come to class on time.

Lectures & Attendance

Students are expected to attend all lectures and participate in discussions. Lectures start right on time. Missed lectures are at students' own responsibility.

Grading

Students should write up their objections and submit them to me no later than a week after receiving their graded work. This document should clearly explain the basis of objection. Except for minor grading errors, no verbal objection is accepted.

Special needs students

Any student who, because of a disability, requires some special arrangements in order to meet course requirements should contact me as soon as possible to make the necessary accommodations.

Updates

Changes or additions to any of the policies above, or course outline, if any, will be announced on the course website.

This is a tentative syllabus, subject to change.

Course Schedule:

Week 1	Date: February 22
	Topic: Introduction to corporate finance
	Readings: Chapters 1, 2, 3
	Requirements: None
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Week 2	Date: March 1
	Topic: Review of bond valuation
	Readings: Chapters 4, 8
	Requirements: Assignment 1 is due on February 28, midnight.
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Week 3	Date: March 8
	Topic: Capital investment decisions and risk analysis
	Readings: Chapters 5, 6, 7
	Requirements: Assignment 2 is due on March 7, midnight.
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Week 4	Date: March 15
	Topic: Capital investment decisions and risk analysis
	Readings: Chapters 5, 6, 7
	Requirements: None
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Week 5	Date: March 22
	Topic: Review of stock valuation
	Readings: Chapters 9, 10
	Requirements: Assignment 3 is due on March 21, midnight.
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Week 6	Date: March 29
	Topic: CAPM and Cost of capital
	Readings: Chapters 11, 13
	Requirements: Assignment 4 is due on March 28, midnight.
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Week 7	Date: April 5
	Topic: Long-term financing and dividend policy
	Readings: Chapters 15, 19
	Requirements: Assignment 5 is due on April 4, midnight. Midterm exam is assigned today.
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Week 8	Date: April 12
	Topic: Capital structure
	Readings: Chapter 16
	Requirements: Assignment 6 and midterm exam are due on April 11, midnight.
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Week 9	Date: April 19
	Topic: Capital structure
	Readings: Chapter 17
	Requirements: Assignment 7 is due on April 18, midnight.
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Week 10	Date: April 26
	Topic: Valuation of a levered firm
	Readings: Chapter 18
	Requirements: Assignment 8 is due on April 25, midnight.

Week 11	Date:	May 3
	Topic:	Raising capital, short-term finance and planning, cash management
	Readings:	Chapters 20
	Requirements:	Assignment 9 is due on May 2, midnight.

Week 12	Date:	May 10
	Topic:	Raising capital, short-term finance and planning, cash management
	Readings:	Chapters 26, 27
	Requirements:	Assignment 10 is due on May 9, midnight.

Week 13	Date:	May 17
	Topic:	International corporate finance
	Readings:	Chapter 31
	Requirements:	Assignment 11 is due on May 16, midnight. Final exam is assigned today.

Week 14	Date:	May 24
	Topic:	Review and Discussions
	Readings:	None
	Requirements:	Assignment 12 and final exam are due on May 23, midnight.
