

**FINC 4531 Intermediate Corporate Finance**  
**01 - Tuesdays and Thursdays from 12:30-1:45, Adamson 217**  
**02 - Tuesdays and Thursdays from 5:30-6:45, Adamson 117**  
**Expanded Course Outline**  
**Fall 2011**

**Professor:** Charles Hodges  
**Telephone:** (678) 839-4816  
**FAX:** (678) 839-5040

**Office:** ADAMSON 205B  
**Office Hours:** Tu: 2:00-5:30 PM  
W: 1:30-4:00 PM  
Th: 2:00-5:30 PM

**E-Mail:** [chodges@westga.edu](mailto:chodges@westga.edu)

also, by appointment (I am in the office most days; feel free to “drop-in.”)

**I. Catalog Description :**

An in-depth study of financial planning and management with emphasis on capital structure and dividend payout policies, cost of capital and capital budgeting, and working capital management. The course serves as a framework for understanding a broad range of corporate financial decisions. Cases and directed readings are used extensively.

**II. Required Background or Experience:**

A. Prerequisites: FINC 3511

B. Prerequisite Justification:

A general knowledge of present value analysis, capital budgeting and cost of capital as well as financial planning concepts are required. These topics are covered in FINC 3511. In addition, a general knowledge of the concepts of accounting are needed. These topics are covered in ACCT 2101 and ACCT 2102, which are prerequisites to FINC 3511.

C. General Education (Core) Contributions:

The course uses the oral skills developed in COMM 1110 and the critical thinking and analysis abilities developed in mathematics. The knowledge gained in core area IV courses of ACCT 2101 and ACCT 2102 are used.

**III. Expected Outcome: ([http://www.westga.edu/rcob/index\\_10607.php](http://www.westga.edu/rcob/index_10607.php))**

A. Communicate effectively in oral presentations and in writing. (LG 1).

B. Improve research and analytical skills through analysis and presentation (LG 2, 3).

C. Understand the concepts of the theory of the capital structure and cost of capital of the firm (LG 2, 6).

D. Understand how to determine incremental cash flows (LG 2, 3, 6).

E. Understand and be able to apply the analytical techniques of capital budgeting to

determine whether projects should be accepted or rejected (LG 2, 3, 6).

- F. Apply statistical techniques to risk analysis as it applies to the budgeting process (LG 2, 3).

**IV. Text:**

Emery, Finnerty, and Stowe – Corporate Financial Management, Pearson, 3rd edition, 2007.

**V. Special or Unique Student Materials:**

A financial calculator with a "cash flow" button is highly recommended. (Examples: Hewlett Packard 10B; Texas Instr. BA II Plus or TI 83; Sharp EL-733A). You are not allowed to use any device with a ‘wireless’ connection (e.g. smartphone, ipad, etc.) as a calculator.

**VI. Special or Unique University Facilities:**

Access to the Richards College of Business Computer Lab and CourseDen. The course webpage is at, [http://www.westga.edu/~chodges/html/finc\\_4531.html](http://www.westga.edu/~chodges/html/finc_4531.html).

**VII. Expanded Description of the Course and Instructional Methods:**

A. Expanded Course Description

This course generally covers the same topics as those covered in FINC 3511. However, FINC 4531 covers the material with a much higher degree of rigor. Themes related to valuation, cash flow projection, principal-agent conflicts, and contingent claims analysis are recurring within the course. Students will learn both theory and advanced analytical techniques. Students are encouraged to integrate the various areas of finance into a coherent and holistic view of the firm. Students will have opportunities to improve their use of spreadsheets, calculators, and research techniques.

B. Instructional Methods

1. Lecture, problem solving, and class participation. Topics are integrated into a complete theory of the financial structure of the firm. Problems are analyzed in class in discussion and informal case presentation and critique is used.
2. Corporate Analysis Project and Presentation. Each student will critically examine and prepare a written report on the global strategy of a corporation. The paper will include a basic financial analysis of the company, an examination of the capital structure, dividends, capital budgeting, agency issues, and the impacts of globalization. The corporate analysis project is detailed in a separate handout. As this analysis relates to all topics covered in the course, you may be asked to give “pop” oral reports in which you relate a class topic to your company. This course has been designated as a “research course” for Business majors.
3. Quizzes. There are CourseDen quizzes available for each chapter covered within the course. Students are allowed multiple attempts per quiz, with the highest grade being used in grade calculations. Quizzes are generally

available for more than two weeks. I will drop your lowest quiz score when computing your quiz average. Cooperation among students, when preparing for and completing the quizzes, is allowed. These quizzes will form the foundation of in-class exams.

## VIII. Methods of Evaluating the Outcomes:

### A. Evaluation Tools

Written extended Company analysis	15%
CourseDen Quizzes	30%
Exam 1	15%
Exam 2	20%
Exam 3	20%

*(I reserve the right to Acurve@ grades.)*

### B. Administrative Policies

1. Information regarding test scores will not be given out over the telephone. If you are absent when exams are returned, you must contact me in person to receive grade information.
2. Requests for adjustments to exam scores must be made in writing within ONE WEEK of the return of the test. Only WRITTEN requests will be considered.
3. Attendance Policy:
  - a) **Regular Class Meetings:** You are expected to attend all class meetings. Attendance will be taken each class period; using a seating chart or sign up sheet (the seating chart helps me to learn everyone's name). Each absence, whether excused or unexcused, beyond the first will result in a 1-point reduction in your overall course average. If you miss more than five class sessions, you will be dropped from the class. Attendance is a zero sum game. All points deducted from students missing more than one class will be proportionally allocated to students missing two or fewer classes.
  - b) **Scheduled Exams:** Makeup exams will likely be more difficult than the scheduled exams and may include an oral portion. If your absence from an exam is not excused, you will receive a zero for that exam. If possible, please notify me in advance if you know you will be unable to take an exam at the scheduled time. In any event, you must notify me within two class days of the missed exam, or the absence will not be excused.
  - c) **General:** You are responsible for knowledge of any administrative announcements (test information, schedule changes, etc.) that are made at any time during scheduled class periods regardless of whether you attend. It is recommended that you make a reciprocal agreement with a classmate to share missed notes and other class information.
4. Code of Conduct: Honesty and integrity are necessary to the academic and professional functions of business. Acts of dishonesty undermine the basic foundation of the academic environment. Improper academic conduct on the part

of students shall be interpreted to mean the obtaining and using of information during an examination by means other than those permitted by the instructor, including the supplying of such information to other students. All forms of academic dishonesty, including cheating, plagiarism, and falsification of academic records are subject to disciplinary action.

C. Learning Domains

1. Cognitive: Knowledge; comprehension; synthesis; analysis; evaluation.
2. Affective: Receiving; responding; valuing; organization; characterization.

**MY.WESTGA.EDU**

The policy of the University of West Georgia is that each student is responsible for checking his/her [my.westga.edu](mailto:my.westga.edu) e-mail account on a regular basis.

**NOTE 1.** This course covers the following AACSB perspectives:

- Influences of legal and regulatory issues
- Ethical issues
- Oral communication
- International issues
- Social issues

**NOTE 2.** This course covers the following teaching objectives:

- develops oral communication skills
- develops ability to do research
- develops problem solving (analytical) skills
- develops critical thinking
- encourages social responsibility
- provides depth in major

**NOTE 3.** I do not give extra credit and do not give credit for work done in other courses.

## **IX. Daily Course Outline:**

### **TENTATIVE SCHEDULE**

Session 1(08/23) Course Overview and Chapter 1

Session 2(08/25) Chapter 1, Introduction and Overview, Chapter 14 (pages 376-382) Agency Theory

Session 3(08/30) Chapter 2, Concepts and Principles

Session 4(09/1) Chapter 2, Concepts and Principles

Session 5(09/6) Chapter 3, Accounting Cash Flows and Taxes

Session 6(09/8) Chapter 3 Accounting Cash Flows and Taxes, Choice of Company needed

Session 7(09/13) Exam 1

Session 8 (09/15) Exam 1 review and Risk and Return Overview (pages 141-175)

Session 9(09/20) Chapter 5, Valuing Stocks and Bonds

Session 10(09/22) Chapter 5, Valuing Stocks and Bonds

Session 11(09/27) Chapter 8, Cost of Capital

Session 12(09/29) Chapter 8, Cost of Capital

Session 13(10/04) Chapter 16 and 17, Capital Structure Decisions

Session 14(10/06) Chapter 16 and 17, Capital Structure Decisions

Session 15(10/11) Chapter 16 and 17, Capital Structure Decisions

**Last day to withdraw with a grade of W is October 14**

Session 16(10/13) Chapter 18, Dividend Policy

Session 17(10/18) Chapter 18, Dividend Policy

Session 18(10/20) Exam 2

Session 19(10/25) Exam 2 Review/ Chapter 9, Business Investment Rules

Session 20(10/27) Chapter 9, Business Investment Rules

Session 21(11/01) Chapter 9, Business Investment Rules

Session 22(11/03) Chapter 10, Capital Budgeting Cash Flows

Session 23(11/08) Chapter 10, Capital Budgeting Cash Flows

Session 24(11/10) Chapter 12, Options

Session 25(11/15) Chapter 12, Options

Session 26(11/17) Chapter 11, Capital Budgeting in Practice

Session 27(11/29) Chapter 11, Capital Budgeting in Practice

Session 28(12/01) Chapter 11, Capital Budgeting in Practice

**Section 01 – 12/06 Comprehensive Final Exam 11:00 am - 1:00 pm**

**Section 02 – 12/08 Comprehensive Final Exam 6:00 pm - 8:00 pm**

---

**PLEASE NOTE: This schedule is tentative and could require modification.**