FINC 4531 – Intermediate Corporate Finance  
Fall 2005, Tuesdays and Thursdays from 5:30-6:45, Room BusCol 102  
Expanded Course Outline

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Also, by appointment (I am in my 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 FIN 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/~busn/lg_bba.htm)
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 (LGO 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:

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).
VI. Special or Unique University Facilities:
Access to the Richards College of Business Computer Lab.

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 major 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. Quality reports will receive bonus points.

3. Quizzes. There are WEBCT 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%
WEBCT Quizzes 30%
Exam 1 15%
Exam 2 20%
Exam 3 20%
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 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.

IX. Daily Course Outline:

**TENTATIVE SCHEDULE**
Session 1(08/23) Course Overview and Chapter 1
Session 4(09/01) Chapter 3, Accounting Cash Flows and Taxes
Session 5(09/06) Computer Lab and Library
Session 6(09/08) Chapter 3 continued and Exam Preparation
Session 7(09/13) Exam 1
Session 8 (09/15) Exam 1 review and Risk and Return Overview
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 11, Risk Return and Capital Budgeting
Session 12(09/29) Chapter 11, Risk Return and Capital Budgeting
Session 13(10/04) Chapter 15 and 16, Capital Structure Decisions
Session 14(10/06) Chapter 15 and 16, Capital Structure Decisions
Session 15(10/11) Chapter 15 and 16, Capital Structure Decisions
Session 16(10/13) Chapter 15 and 16, Capital Structure Decisions Last day to withdraw with a grade of W
Session 17(10/18) Exam 2
Session 18(10/20) Exam 2 review and Group Research Presentations
Session 19(10/25) Chapter 17, Dividend Policy
Session 20(10/27) Chapter 17, Dividend Policy
Session 21(11/01) Chapter 6, Business Investment Rules
Session 22(11/03) Chapter 6, Business Investment Rules
Session 23(11/08) Chapter 6, Business Investment Rules
Session 24(11/10) Chapter 7, Capital Budgeting Cash Flows
Session 25(11/15) Chapter 7, Capital Budgeting Cash Flows
Session 26(11/17) Chapter 12, Risk, Return, and Contingent Outcomes
Session 27(11/22) Chapter 12, Risk, Return, and Contingent Outcomes
Session 28(11/29) Chapter 8, Capital Budgeting in Practice
Session 29(12/01) Chapter 8, Capital Budgeting in Practice
Session 30(12/06) Exam Preparation and Review
Final Exam December 13, 5:30-7:30 p.m.

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

NOTE 1. This course covers the following AACSBI 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