FINC 4532- PROBLEMS IN CORPORATE FINANCE
Expanded Course Outline
Spring 2015
TR 12:30-1:50 P.M. in ADM/ACAD 217

Professor: Rong Guo
Phone: (678) 839-5301      Email: rguo@westga.edu
Office: Adamson 216
Office Hrs: M: 10:00-11:00 A.M.; 12:00-1:00 P.M.
             TR: 10:00 A.M.-11:00 A.M.; 2:00 P.M.-3:30 P.M.; 5:00-6:30 P.M.
             (You are welcome to “drop-in” whenever I am in my office.)

The policy of the University of West Georgia is that each student is responsible for checking his/her
my.westga.edu e-mail account on a regular basis. It is recommended that you check in our D2L course
site at least three times a week.

I. Catalog Description

An examination of various topics in finance including bankruptcy and reorganization, mergers and acquisitions, lease financing, and others. The course emphasizes logical financial decision-making techniques through the examination of underlying theories and through problem solving. Problems, cases, and directed readings are used extensively.

II. Required Background or Experience

A. Prerequisite: FINC 3511

B. Prerequisite Justification: In-depth knowledge of the time value of money and a basic knowledge of capital budgeting, the cost of capital, short-term financing, and accounting are required.

C. General Education (Core) Contribution: The course uses the writing skills developed in English courses, oral skills developed in speech courses, mathematical methods and critical thinking acquired in mathematics courses. The knowledge gained in ACCT 2101 and 2102, MGNT 3600, and ECON 3402 and 3406 are used. Statistics is used throughout the course.

III. Expected Outcomes:

A. Improve communication effectiveness in oral and written presentations - LG1 (Learning Goal 1).

B. Apply statistical techniques to finance problems – LG2.
C. Use information technology to solve business problems – LG3.

D. Understand how time value of money and capital budgeting techniques are used to analyze some of the topics within the class. – LG4 and LG6.

E. Understand how ethical decision making and globalization affect organizations – LG5.

IV. Text and References


V. Special or Unique Student Material:

Financial calculator with net present value (NPV) and internal rate of return (IRR). (e.g., Hewlett Packard 10B; Texas Instruments BA II+; Texas Instruments TI-83 or 84)

VI. Special or Unique University Facilities:

Access to internet connected computer, library resources, and RCOB computer lab.

VII. Expanded Description of the Course and Instructional Method:

A. Expanded Description of the Course: The course examines the investment banking process including how and why stocks and bonds are issued, major ways to reorganize and/or expand the firm, including bankruptcy and mergers and acquisitions, international finance, liquidity management, leasing, and other asset-based financing. Upon successful completion of this course, students should be able to: analyze debtholder-stokholder conflicts, describe methods for issuing new securities, compute net advantage to merging and the net advantage of refunding, explain the main causes of financial distress, describe four key parity relationships, evaluate the costs of different types of short-term borrowing and construct a cash budget and pro forma financial statements.

B. Instructional Methods:

a. Lecture and Problem Solving: Topics in financial management are discussed in lectures presented by the instructor. Students are expected to complete analytical problems in conjunction with lecture and solution presentations and offer comments in class. Problems and cases are analyzed and discussed in class.

b. Internet Materials: Various materials are available on the CourseDen course site.

c. Outside Assignments: Students are required to complete assigned problems and projects. CourseDen housed quizzes must be completed.
VIII. Methods of Evaluating the Outcomes:

A. Evaluation tools: Grading points are shown below. All quizzes are taken online. There are eleven quizzes. The lowest quiz score is dropped before your overall quiz score is calculated. Exams 2 and 3 are not cumulative.

<table>
<thead>
<tr>
<th>Grading Points*</th>
<th>Grading Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quizzes</td>
<td>100 points*</td>
</tr>
<tr>
<td>Exam 1</td>
<td>100 points</td>
</tr>
<tr>
<td>Exam 2</td>
<td>100 points</td>
</tr>
<tr>
<td>Exam 3</td>
<td>100 points</td>
</tr>
</tbody>
</table>

Letter Grade Final Grade
A 360-400 points
B 320-359 points
C 280-319 points
D 240-279 points
F < 240 points

*Each online quiz may be taken up to four times.* The highest of the four scores for each quiz is retained for grading purposes. The quizzes change each time they are opened.

Work submitted for credit in other courses will not be accepted for credit in this course. There is no extra credit in this course beyond that explicitly stated in the course syllabus or announced in class by the instructor. I reserve the right to “curve” grades.

B. Administrative Policies
   a. Information regarding course grades will not be given over the telephone. Grades will be posted in CourseDen.
   
   b. Requests for quiz and exam score adjustments must be made in writing (email is fine) within ONE WEEK of grade assignment.
   
   c. Attendance Policy:
      i. Class Meetings: You are expected to attend all class meetings. Attendance will be taken at all classes. Each absence beyond the first two will result in a one-point reduction in your overall course average. All points deducted from students missing class will be equally divided among students missing two or fewer classes. You are expected to come to class on time, be attentive and engaged in class and respond respectively to your classmates and instructor. You are highly encouraged to participate in discussion and ask questions when you do not understand anything. No laptops, cell phones or other electronic devices are allowed in this class.
      
      ii. Scheduled Exams: No makeup quizzes will be given. If you miss a quiz you will receive a grade of zero on that quiz. If you miss an exam, you will receive a zero unless your reason for missing the exam is deemed valid by the instructor. You must contact me regarding your excuse for missing an exam within one week of the exam or you will receive a zero on the exam. Makeup exams will be more difficult.
      
      iii. General: You are responsible for knowledge of any administrative announcements (test information, schedule changes, etc.) that are
posted in CourseDen or sent to your official UWG email address. You are responsible for keeping up with when assignments and quizzes are due and completing them on time. Please ask questions directly and immediately if you do not understand the instructions or due dates for an assignment or quiz.

d. Code of Conduct: Honesty and integrity are necessary to the academic and professional functions of business. Dishonesty undermines the foundation of the academic environment. Improper academic conduct shall be interpreted to mean the obtaining and using of information during an examination by means other than those permitted by the instructor, including supplying such information to other students. All forms of academic dishonesty, including cheating, plagiarism, and falsification of academic records are subject to disciplinary action. Please read and adhere to the UWG Honor Code: [http://www.westga.edu/handbook/59.php](http://www.westga.edu/handbook/59.php).

e. Student Rights and Responsibilities: Please carefully review the information at the following link: [http://www.westga.edu/assetsDept/vpaa/Common_Language_for_Course_Syllabi.pdf](http://www.westga.edu/assetsDept/vpaa/Common_Language_for_Course_Syllabi.pdf). The document at this link contains important information pertaining to your rights and responsibilities in this class. Because these statements are updated as federal, state, university, and accreditation standards change, you should review the information each semester.

f. Credit Hour Policy (3 credit hours): Students in this class will spend 150 minutes per week with faculty instruction (either face-to-face or online). Generally, students can expect to spend about 6 hours of class work outside of the classroom each week. This out-of-class work may include, but is not limited to, readings, assignments, projects, group work, research, and test preparation. The amount of out of class time required for a given outcome will vary by student.

C. Learning Domains:

IX. TENTATIVE SCHEDULE:
- Quizzes close at 11:59 pm on the dates shown below.
- Do not attempt quizzes during the period from 10:00 pm on Fridays until 7:00 am on Saturdays due to CourseDen maintenance during this period.

**Important Dates:**
- **Feb 5** Exam 1
- **Feb 27** Deadline to withdraw with a grade of W.
- **Mar 5** Exam 2 and Project Due
- **April 23** Exam 3 (11:00 am-1:30 pm)
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
</tr>
</thead>
</table>
| 8 | Chapter 14: Agency Theory  
**Online Quiz 1 - Chapter 2 (closes 1/13)** |
| 13, 15 | Chapter 14: Agency Theory  
**Online Quiz 2 – Chapter 14 (closes 1/20)** |
| 20, 22 | Chapters 19: Issuing Securities and the Role of Investment Banking  
**Online Quiz 3 – Chapter 19 (closes 1/27)** |
| 27, 29 | Chapter 25: Mergers and Acquisitions  
**Online Quiz 4 - Chapter 25 (closes 2/3)** |
| Feb 3 | Review |
| 5 | Exam 1 |
| 10, 12 | Chapter 22: Liquidity Management  
**Online Quiz 5 - Chapter 22 (closes 2/17)** |
| 17, 19 | Chapter 23: Accounts Receivable and Inventory Management  
**Online Quiz 6 - Chapter 23 (closes 2/24)** |
| 24, 26 | Chapter 24: Financial Planning  
**Online Quiz 7 – Chapter 24 (closes 3/3)** |
| Mar 3 | Review |
| 5 | Exam 2 |
| 16-20 | Spring Break; No Classes |
| 24, 26 | Chapter 20: Long-Term Debt  
**Online Quiz 8 - Chapter 20 (closes 3/31)** |
| Mar 31, Apr 2 | Chapter 21: Leasing and Other Asset-Based Financing  
**Online Quiz 9 - Chapter 21 (closes 47)** |
| 7, 9 | Chapter 26: Financial Distress  
**Online Quiz 10 - Chapter 26 (closes 4/14)** |
| 14 | Chapter 27: International Corporate Finance  
**Online Quiz 11 - Chapter 27 (closes 4/21)** |
| 16 | Review |
NOTE 1: This course covers the following AACSB perspectives: influence of legal and regulatory issues; ethical issues; written and oral communication; and social issues.

NOTE 2: This course covers the following teaching objectives: developing oral communication skills; developing analytical/critical thinking; and encouraging social responsibility.