FINC 4532- PROBLEMS IN CORPORATE FINANCE
Expanded Course Outline
Spring 2017
TR 9:30-10:45 A.M. in ADM/ACAD 115

Professor: Rong Guo
Phone: (678) 839-5301 Email: rguo@westga.edu
Office: Adamson Hall 216
Office Hrs: M: 8:00-11:30 A.M.; TR: 8:00-9:30 A.M.; 12:15-2:00 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, MGMT 3600, and ECON 3402 and 3406 are used. Statistics is used throughout the course.

III. Expected Outcomes:

A. Communicate effectively in writing - LG1 (Learning Goal 1).

B. Apply basic quantitative skills to business problems – LG2.

C. Use computer resources to research and analyze 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. Have an understanding of legal and ethical considerations that affect financial decision-making in corporations – 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, liquidity management, leasing and other asset-based financing, and international finance. Upon successful completion of this course, students should be able to: analyze debtholder-stockholder conflicts, describe methods for issuing new securities, compute the 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 Weights*</th>
<th>Grading Scale</th>
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<tbody>
<tr>
<td>Participation (20 highest)*</td>
<td>100 points</td>
</tr>
<tr>
<td>Quizzes (10 highest)**</td>
<td>100 points</td>
</tr>
<tr>
<td>Exam 1</td>
<td>100 points</td>
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<tr>
<td>Exam 2</td>
<td>100 points</td>
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<tr>
<td>Exam 3</td>
<td>100 points</td>
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*There will be in class exercise submitted for grading every class. Each exercise is worth 5 points. The two lowest scores are dropped before your participation grade is calculated. The in class exercise can be a practice problem that is similar to one of the sample problems we go over in class, or a conceptual question to test your understanding of the major concepts covered in a class.

**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. Each quiz is worth 10 points.

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 on 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: We use participation grade (please see evaluation tools above) instead of attendance grade in this class. 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.
      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.

iii. General: You are responsible for knowledge of any administrative announcements (test information, schedule changes, etc.) that are posted on 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/assetsDept/vpaa/Common_Language_for_Course_Syllabi.pdf](http://www.westga.edu/assetsDept/vpaa/Common_Language_for_Course_Syllabi.pdf).

e. Student Rights and Responsibilities: Please carefully review the information at the following link: [http://www.westga.edu/handbook/59.php](http://www.westga.edu/handbook/59.php). 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:

- All quizzes open when the class begins. 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:
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>Feb 16</td>
<td>Exam 1</td>
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<td>Mar 2</td>
<td>Deadline to withdraw with a grade of W.</td>
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<tr>
<td>Mar 30</td>
<td>Exam 2</td>
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<tr>
<td>May 4</td>
<td>Exam 3 (8:00 am-10:00 pm)</td>
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Jan 10 Introduction

   Online Quiz 1 - Chapter 2 (closes 1/17)

17, 19 Chapter 14: Agency Theory

24 Chapter 14: Agency Theory
   Online Quiz 2 – Chapter 14 (closes 1/31)

26 Guest Speaker

Jan 31, Feb 2 Chapter 25: Mergers and Acquisitions
   Online Quiz 3 - Chapter 25 (closes 2/7)

Feb 7, 9 Chapter 26: Financial Distress
   Online Quiz 4 – Chapter 26 (closes 2/14)

14 Review

16 Exam 1

21, 23 Chapter 22: Liquidity Management
   Online Quiz 5 - Chapter 22 (closes 2/28)

Feb 28, Mar 2 Chapter 23: Accounts Receivable and Inventory Management
   Online Quiz 6 - Chapter 23 (closes 3/7)

Mar 7, 9 Chapter 24: Financial Planning
   Online Quiz 7 - Chapter 24 (closes 3/14)

14, 16 Chapter 24: Financial Planning (project)

21, 23 Spring Break; No Classes

28 Review

30 Exam 2
Apr 4, 6  Chapters 19: Issuing Securities and the Role of Investment Banking
Online Quiz 8 – Chapter 19 (closes 4/11)

11, 13  Chapter 20: Long-Term Debt
Online Quiz 9 - Chapter 20 (closes 4/18)

18, 20  Chapter 21: Leasing and Other Asset-Based Financing
Online Quiz 10 - Chapter 21 (closes 4/25)

25  Chapter 27: International Corporate Finance
Online Quiz 11 – Chapter 27 (closes 4/27)

27  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.