RUTGERS UNIVERSITY  
School of Business - Camden 

CORPORATE FINANCE AND APPLICATIONS – Spring 2016  
52:390:310:01  
Tues. & Thurs. 9:30 A.M. – 10:50 A.M.  
BSB 106  

Professor: Mr. Ralph Giraud, MS  
Office: BSB 337 (Adjunct Office)  
Phone: (609) 381-5618  
Office Hours: by appointment via scheduling through EMAIL  
E-mail: ralph.giraud@camden.rutgers.edu 

COURSE DESCRIPTION: 

This course will address: cost of capital; capital structure; payout policy; introduction to international aspects of corporate finance; options and corporate finance. 

Course material covered is “an extension” of concepts reviewed from your “Principles of Finance” prerequisite course, so it is assumed that you have “built a base of knowledge” of financial concepts such as: financial statements and ratio analysis; time value of money and discounted cash flow valuation; capital budgeting; and risk and return. 

COURSE OBJECTIVES: 

The course begins with a “refresher,” a review of some important “Principles of Finance” concepts concerning: financial statements and ratio analysis; time value of money and discounted cash flow valuation; capital budgeting; and risk and return. Afterwards, lectures will next concentrate on capital structure, and the challenging decisions surrounding raising money through equity and debt financing. Topics move on to the “optionality” characteristics of stock and bond instruments when funding a business. Credit policies and inventory management, and international corporate finance issues will be discussed. 

STUDENT LEARNING OBJECTIVES: 

Emphasis is placed on understanding corporate financial statements, making capital investment decisions, capital budgeting and capital structure. Capital investment decisions involve Net Present Value (NPV) analysis and operating cash flow approaches. Our course will examine a firm’s cost of capital, corporate funding choices, plus the advantages and disadvantages of equity and debt financing. 

In the practice of corporate finance, it is important to be able to identify business problems or opportunities that must be defined, quantified, and analyzed. This leads to a variety of potential alternative decisions, a final decision that leads to subsequent actions, and a review of the results of those actions. Making no decision is a decision to do nothing, which is usually but not always the worst decision that can be made. Decision-making involves taking risk, committing to a course of action, and creating a result. 

The intent of this course is to allow you demonstrate your skills as a “financial analyst.”
REQUIRED TEXTS:


**Connect**: McGraw-Hill’s Connect is a web-based assignment and assessment solution required for this course.


If you have any issues while registering or using Connect, please contact McGraw-Hill’s Customer Experience team through [http://www.mhhe.com/support](http://www.mhhe.com/support) or at 800-331-5094. To avoid problems related to unexpected technical issues, you are advised not to wait until the last moment to complete assignments. Please review your “Connect Student Quick Tips” document for further support.

**Calculators and laptops**: A financial calculator is a great tool that will facilitate your computations, which is relatively inexpensive compared to the cost of a laptop. However, use of a laptop is strongly recommended. If you choose to use a financial calculator, suggestions may include the Hewlett Packard HP 10BII or Texas Instruments BAII Plus. I will not bear any responsibility of teaching you how to use it.

TEACHING METHODS:

Lectures, class discussions, and exams/assigned work will be based mainly on material from course textbooks, supplemented by use of appropriate websites and other resources. It is your responsibility as a student to fulfill all individual AND group course requirements through thorough preparation for each class. This responsibility includes reviewing topics IN ADVANCE of scheduled classes. Additional responsibilities include perfect, timely attendance (in accordance with university policies), active participation, and completion and timely submission of assignments. Ask the professor for help immediately when necessary.

SYLLABUS UPDATES AND OTHER COURSE COMMUNICATION:

All changes and announcements will be made in class at least once, and/or through the SAKAI site for this course. If you anticipate being absent from class, find a classmate who can pick up handouts etc. for you, as you are responsible for keeping up with this course. Handouts will be brought to class only once, and may not be available in hard copy thereafter. I reserve the right as the Course Instructor to make changes to stated syllabus information at any time. If you do not use your [rutgers.edu](mailto:your@rutgers.edu) email domain for your primary email address, please insure that you forward messages to whatever email address you use. It is YOUR responsibility to “remain current” with course developments. Please check the SAKAI course website on a daily basis.

COURSE REQUIREMENTS (Grade Weight):

1. **EXAMS**: There will be four Exams:
   - Exam #1 covering Chapters 2 – 3, 5 - 6 (15%),
   - Exam #2 covering Chapters 7, 13, 15 – 16 (20%),
   - Exam #3 covering Chapters 17 – 19 (20%), and
   - Exam #4 covering Chapters 22, 28, 31 (25%).

   Material for these exams will be based on financial applications and processes reviewed and employed during course lectures and homework assignments.
Exam Make-up Policy: The Course Outline does NOT allow any regularly scheduled class dates for “Make–up Exams.” If for some legitimate “university approved” reason you are not able to take a scheduled exam, you must immediately submit valid proof concerning the reason for your absence (e.g.: doctor’s note, an obituary, university approved excuse related to participation in university athletic event, military orders). Written notice regarding this absence must be provided at least one week in advance, so other options can be evaluated. Make-up exams for non-university approved reasons are NOT guaranteed.

2. “TAKE-HOME” ASSIGNMENTS (10%): Take-home assignments will be given over the course of the semester through McGraw Hill Connect. Late submissions will not be accepted.

3. CLASS PARTICIPATION (10%): Punctual attendance for complete, regularly scheduled class sessions is MANDATORY, in accordance with university policy (50%). True class participation involves attentiveness, active “engagement” with course material, and contributing to class discussions (50%). Your questions and comments concerning course topics should be focused and relevant. Do not hesitate to ask any and all questions as may be necessary.

4. BLOOMBERG ESSENTIALS ONLINE TRAINING (“Extra Credit,” worth 5%): Students are given the opportunity to successfully pass the Bloomberg Essentials Online Training (“BESS”) Core Exam, which can represent five percent (5%) of a final grade.

5. OPTIONAL BONUS OPPORTUNITY (“Extra Credit,” worth 5%): Those students who successfully pass all of the Bloomberg Essentials Online Training Program Market Sector Exams and email their Acknowledgement of Completion Certificate to me at ralph.giraud@camden.rutgers.edu, and to Bloomberg.Certificates@camden.rutgers.edu, will be awarded five (5) points (i.e.: 5%) which will be added to the calculation of their final grade.

To increase your chances of earning up to an additional 10 percent (10%) credit towards the calculation of your final grade, it is strongly suggested that you attend Bloomberg Essentials Online Training lectures. Visit http://fmlab.rutgers.edu/ for further information.

ACADEMIC INTEGRITY

Policy found at http://academicintegrity.rutgers.edu/academic-integrity-at-rutgers

“Academic integrity requires that all academic work be wholly the product of an identified individual or individuals. Joint efforts are only legitimate when the assistance of others is explicitly acknowledged…The principles of academic integrity entail simple standards of honesty and truth. Each member of the university has a responsibility to uphold the standards of the community and to take action when others violate them…Students are responsible for knowing what the standards are and for adhering to them. Students should also bring any violations of which they are aware to the attention of their instructors.”

Students are expected to know, understand and adhere to the policies on academic integrity outlined above.

Principles of academic integrity require that every Rutgers University student:

- properly acknowledge and cite all use of the ideas, results, or words of others
- properly acknowledge all contributors to a given piece of work

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• make sure that all work submitted as his or her own in a course or other academic activity is produced without the aid of unsanctioned materials or unsanctioned collaboration
• obtain all data or results by ethical means and report them accurately without suppressing any results inconsistent with his or her interpretation or conclusions
• treat all other students in an ethical manner, respecting their integrity and right to pursue their educational goals without interference. This requires that a student neither facilitate academic dishonesty by others nor obstruct their academic progress
• uphold the canons of the ethical or professional code of the profession for which he or she is preparing.

Adherence to these principles is necessary in order to insure that:
• everyone is given proper credit for his or her ideas, words, results, and other scholarly accomplishments
• all student work is fairly evaluated and no student has an inappropriate advantage over others
• the academic and ethical development of all students is fostered
• the reputation of the University for integrity in its teaching, research, and scholarship is maintained and enhanced.

Student Code of Conduct
Violations of the Student Code of Conduct are considered serious infractions of student behavior and subject to penalties relative to the level of the matter. Students may not disturb normal classroom procedures by distracting or disruptive behavior. Examples of disruptive behavior include, but are not limited to, the following:
• Repeatedly leaving and entering the classroom without authorization
• Answering cellular phone or allowing pager to beep
• Making loud or distracting noises
• Repeatedly speaking without being recognized, interrupting the instructor or other students, or otherwise acting in disregard of the instructor’s requests
• Resorting to physical threats or violence directed toward the instructor or other students.*

*Physical threats or violence are a violation of the University’s Code of Student Conduct and incidents should be referred to the Dean of Students immediately. Please consult “Standards of Classroom Behavior,” in The University Code of Student Conduct

and the University’s “Policy against Verbal Assault, Defamation and Harassment”

[http://studentconduct.rutgers.edu/files/documents/PolicyAgainstVerbalAssault.pdf](http://studentconduct.rutgers.edu/files/documents/PolicyAgainstVerbalAssault.pdf) for further information

GRADING:
For the assignment of final grades, the course requirements will be weighted approximately as follows:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Exam # 1</td>
<td>15%</td>
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<tr>
<td>Exam # 2</td>
<td>20%</td>
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<td>Exam # 3</td>
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<tr>
<td>Exam # 4</td>
<td>25%</td>
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<tr>
<td>Assignments</td>
<td>10%</td>
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<tr>
<td>Class Participation</td>
<td>10%</td>
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<tr>
<td>“BESS” Core Exam</td>
<td>5% (Extra Credit)</td>
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<tr>
<td>Optional “Bonus”</td>
<td>5% (Bloomberg Certification)</td>
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LETTER GRADES:

90-100%…A
85-89%….B+
80-84%….B
75-79%….C+
70-74%….C
60-69%.....D
Less than 60%….F

ADMINISTRATIVE DETAILS:

- Students who are seeking an accommodation because of a disability are directed to the website http://learn.camden.rutgers.edu/disability-services, or they can contact the Camden campus Disability Coordinator: Tim Pure, Disability Services Coordinator / Armitage Hall, EOF Suite, third floor (elevator accessible), 856-225-6442, tpure@camden.rutgers.edu.
- **Cell Phones and Lap-Tops:** Students are required to turn off their phones, and laptops are allowed only for course work in class. Please inform me BEFORE CLASS if you are expecting an emergency call and must leave your phone turned on.
- Students should come to class on time. They should stay in class throughout the class period.

**Monday April 4th, 2016 at 5:00 P.M.** is the last day to withdraw from this class to receive a grade of “W.” For more information see the registrar’s website. http://registrar.camden.rutgers.edu/

COURSE OUTLINE: TOPICS / EXAMS (subject to change)

Class 1: 1/19/2016
Course Introduction
CHAPTER 2 - Financial Statements and Cash Flow

Class 2: 1/21/2016
CHAPTER 2 - Financial Statements and Cash Flow

Class 3: 1/26/2016
CHAPTER 3 - Financial Statements Analysis and Financial Models

Class 4: 1/28/2016
CHAPTER 3 - Financial Statements Analysis and Financial Models

Class 5: 2/02/2016
CHAPTER 5 - Net Present Value and Other Investment Rules

Class 6: 2/04/2016
CHAPTER 6 - Making Capital Investment Decisions

Class 7: 2/09/2016
EXAM # 1 prep.: CHAPTERS 2 – 3, 5 - 6

Class 8: 2/11/2016
EXAM # 1 prep.: CHAPTERS 2 – 3, 5 - 6
Class 9: 2/16/2016
CHAPTER 7 - Risk Analysis, Real Options, and Capital Budgeting

Class 10: 2/18/2016
CHAPTER 13 – Risk, Cost of Capital, and Valuation

Class 11: 02/23/2016
CHAPTER 13 – Risk, Cost of Capital, and Valuation

Class 12: 02/25/2016
CHAPTER 15 – Long-Term Financing: An Introduction

Class 13: 03/01/2016
CHAPTER 16 – Capital Structure: Basic Concepts

Class 14: 03/03/2016
EXAM # 2 prep.: CHAPTERS 7, 13, 15 –16

Class 15: 03/08/2016
EXAM # 2: CHAPTERS 7, 13, 15 –16

Class 16: 03/10/2016
Bloomberg Essentials Online Training (“BESS”) Core Exam Training

Class 17: 03/22/2016
Bloomberg Essentials Online Training (“BESS”) Core Exam

Class 18: 03/24/2016
CHAPTER 17 – Capital Structure: Limits to the Use of Debt

Class 19: 03/29/2016
CHAPTER 18 – Valuation and Capital Budgeting for the Levered Firm

Class 20: 03/31/2016
CHAPTER 19 – Dividends and Other Payouts

Class 21: 04/05/2016
CHAPTER 19 – Dividends and Other Payouts

Class 22: 04/07/2016
EXAM # 3 prep.: CHAPTERS 17 – 19

Class 23: 04/12/2016
EXAM # 3: CHAPTERS 17 – 19

Class 24: 04/14/2016
CHAPTER 22: Options and Corporate Finance

Class 25: 04/19/2016
CHAPTER 22: Options and Corporate Finance
Class 26: 04/21/2016
CHAPTER 28: Credit and Inventory Management

Class 27: 04/26/2016
CHAPTER 31: International Corporate Finance

Class 28: 04/28/2016
EXAM # 4 prep.: CHAPTERS 22, 28, 31

Class 29: 05/03/2016 (“READING DAY,” Optional Attendance)
EXAM # 4 prep.: Final Exam “Extra Credit Section” Review

Class 30: 05/05/2016
EXAM # 4: CHAPTERS 22, 28, 31 (8:00 A.M. – 11:00 A.M.)