**Class details**

**CORPORATE FINANCE (FINC-UB 9007)**

Fall 2014, Thursdays, 1:00 pm to 4:00 pm

Location to be confirmed.

**Instructor Details**

Faculty Member Name

**Prerequisites**

FINC-UB 2 or FINC-UB 9002 (Foundations of Finance)

**Class Description**

This course helps students develop an analytical framework for understanding how organizations make investments and financial decisions. Students also learn the theory and practice of various valuation techniques. There is an emphasis on understanding the theory and its applications to the real world as well as appreciating the limitations of the tools in practical settings. Specific topics include capital budgeting, investment decision rules, discounted cash flow valuation, real options, cost of capital, capital structure, dividend policy, and valuation methods.

**Desired Outcomes**

Students will have an understanding of and appreciation for the fundamental concepts of corporate finance, corporate valuation, project valuation, strategic financing decisions, working capital management, and special topics, such as mergers, LBOs, and multinational financial management.

**Assessment Component s**

There will be three examinations, each of equal weight and consisting of multiple choice questions, essay questions, and problems, to determine the final grade for the course. The three grades will be averaged to determine the final grade for the course. Final grades will be assigned according to the Grade Conversion Chart shown below. The third examination will occur during final examination week (date, place, and time to be announced). Each examination will be administered on the date specified in the syllabus and will include all material covered since the last examination. No open book or notes will be allowed during the examinations. Make-up examinations will be given only with absences approved by the instructor.
Assessment Expectations

Students are expected to be on time for and attend all classes. Students are expected to have read the assigned material beforehand in order to effectively contribute to classroom discussions.

Grade conversion

**Grade A:** The student makes excellent use of empirical and theoretical material and offers well-structured arguments in his/her work. The student writes comprehensive essays / exam questions and his/her work shows strong evidence of critical thought and extensive reading.

**Grade B:** The candidate shows a good understanding of the problem and has demonstrated the ability to formulate and execute a coherent research strategy.

**Grade C:** The work is acceptable and shows a basic grasp of the research problem. However, the work fails to organize findings coherently and is in need of improvement.

**Grade D:** The work passes because some relevant points are made. However, there may be a problem of poor definition, lack of critical awareness, poor research.

**Grade F:** The work shows that the research problem is not understood; there is little or no critical awareness and the research is clearly negligible.

NYU Washington, DC uses the following scale of numerical equivalents to letter grades:

<table>
<thead>
<tr>
<th>Numerical</th>
<th>Letter Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>100-94</td>
<td>A</td>
</tr>
<tr>
<td>93-90</td>
<td>A-</td>
</tr>
<tr>
<td>89-87</td>
<td>B+</td>
</tr>
<tr>
<td>86-84</td>
<td>B</td>
</tr>
<tr>
<td>83-80</td>
<td>B-</td>
</tr>
<tr>
<td>79-77</td>
<td>C+</td>
</tr>
<tr>
<td>76-74</td>
<td>C</td>
</tr>
<tr>
<td>73-70</td>
<td>C-</td>
</tr>
<tr>
<td>69-67</td>
<td>D+</td>
</tr>
<tr>
<td>65-66</td>
<td>D</td>
</tr>
<tr>
<td>below 65</td>
<td>F</td>
</tr>
</tbody>
</table>

Attendance Policy

Study abroad at Global Academic Centers is an academically intensive and immersive experience, in which students from a wide range of backgrounds exchange ideas in discussion-based seminars. Learning in such an environment depends on the active participation of all students. And since classes typically meet once or twice a week, even a single absence can cause a student to miss a significant portion of a course. To ensure the integrity of this academic experience, class attendance at the centers is mandatory, and unexcused absences will affect students' semester grades. Students
are responsible for making up any work missed due to absence. Repeated absences in a course may result in failure. Beginning Fall 2014, at all Global Academic Centers, unexcused absences will be penalized with a two percent deduction from the student’s final course grade.

To seek an excused absence for medical reasons, students must email or discuss with the Program Coordinator for Academics in advance of their missed class. For an excused absence, students must produce a doctor’s note dated with the exact dates of the missed class and/or exam.

Non-medical absences must be discussed with the Program Coordinator for Academics prior to the date(s) in question, who will communicate the absence to all relevant faculty members. If faculty members do receive notification, the student has not procured an excused absence.

NYU Washington, DC expects students to arrive to class promptly (both at the beginning and after any breaks), to be attentive, and to remain for the duration of the class. If full class attendance and participation becomes a problem, it is the prerogative of each instructor to apply the rule for unexcused absences, which may include a two percent deduction from the student’s final course grade.

Students are responsible for making up any work missed due to absence. This means they should initiate email and/or office hour discussions to discuss any missed lectures and assignments and arrange a timeline for submitting missed work.

Please note that for classes involving a field trip or other external visit, transportation difficulties are never grounds for an excused absence. It is the student’s responsibility to arrive at the announced meeting point in a punctual and timely fashion. Staff members may always be reached by cell phone for advice regarding public transportation.

1) Written work due in class must be submitted during the class time to the professor.

2) Late work should be emailed to the faculty as soon as it is completed. If the assignment must be submitted in person, the Program Coordinator for Academics can collect on behalf of the faculty between the hours of 10-6, M-F.

3) Late work will be reduced for a fraction of a letter grade (e.g: A to A-, A- to B+, etc.) for every day it is late, including weekends.

4) Written work during the semester that is submitted 5 days after the
submission date (including weekends) without an agreed extension fails and is given a zero.

5) Students who arrive to class late for an exam do not have automatic approval to take extra time to complete the exam.

6) Students who miss an exam (including the final) without previously arranged permission will receive a zero on that exam.

7) Assignments due during finals week that are submitted more than 3 days without previously arranged extensions will not be accepted and will receive a zero. Any exceptions or extensions for work during finals week must be discussed with the Site Director.

Students with Disabilities

Accommodations are available for students with documented disabilities. Please contact the Moses Center for Students with Disabilities at 212-998-4980 or see their website [http://www.nyu.edu/life/safety-health-andwellness/students-with-disabilities.html](http://www.nyu.edu/life/safety-health-andwellness/students-with-disabilities.html) for further information.

Plagiarism Policy

As the University's policy on "Academic Integrity for Students at NYU" states: "At NYU, a commitment to excellence, fairness, honesty, and respect within and outside the classroom is essential to maintaining the integrity of our community. By accepting membership in this community, students take responsibility for demonstrating these values in their own conduct and for recognizing and supporting these values in others." Students at Global Academic Centers must follow the University and school policies.

The presentation of another person’s words, ideas, judgment, images or data as though they were your own, whether intentionally or unintentionally, constitutes an act of plagiarism.

NYU Washington, DC takes plagiarism very seriously; penalties follow and may exceed those set out by your home school. All your written work must be submitted as a hard copy AND in electronic form to the instructor. Your instructor may ask you to sign a declaration of authorship form.

It is also an offense to submit work for assignments from two different courses that is substantially the same (be it oral presentations or written work). If there is an overlap of the subject of your assignment with one that you produced for another course (either in the current or any previous semester), you MUST inform your professor.

For guidelines on academic honesty, clarification of the definition of plagiarism,
examples of procedures and sanctions, and resources to support proper citation, please see:

http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/academic-integrity-for-students-at-nyu.html

http://gls.nyu.edu/page/gls.academicintegrity

http://cas.nyu.edu/page/academicintegrity


INTRODUCTION

(Brigham and Daves, chapter 1)

Calculating Net Present Value
(Brigham and Daves, pp. 456-459)

CAPITAL BUDGETING/PROJECT VALUATION

Risk and Return: Part I
(Brigham and Daves, chapter 2)

Risk and Return: Part II
(Brigham and Daves, chapter 3)

Basic Bond Valuation
(Brigham and Daves, chapter 4)

Basic Stock Valuation
(Brigham and Daves, chapter 5)

Capital Budgeting: Decision Criteria
(Brigham and Daves, chapter 12)

Real Options

**Session 5**

October 2

**CAPITAL STRUCTURE/FINANCING DECISION & DIVIDEND POLICY**

*Capital Structure Decisions: Part I*  
(Brigham and Daves, chapter 15)

*Capital Structure Decisions: Part II*  
(Brigham and Daves, chapter 16)


**Session 6**

October 9

**FIRST IN-CLASS EXAMINATION**

**Sessions 7, 8, 9, 10**

October 16, 23, 30, November 6

**CAPITAL STRUCTURE/FINANCING DECISION & DIVIDEND POLICY, CONTINUED**

(Brigham and Daves, chapters 16, 17)

*Agency 1: Debt v. Equity*


*Agency 2: Equity v. Mergers*


*Asymmetric Information*

Summarizing Capital Structure


Dividend Policy


Behavioral Finance


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**Session 11**

November 13

**Sessions 12, 13, 14**

November 20, December 4, 11

**SECOND IN-CLASS EXAMINATION**

MERGERS, CORPORATE CONTROL, AND GOVERNANCE

(Brigham and Daves, chapters 18, 26)


November 27. No Scheduled Class. Thanksgiving Recess

**IN-CLASS FINAL EXAMINATION** (administered during final examination week)