1. Course Information

Course Title: Corporate Finance  
Course number: FINA 3339

Course Section: A  
Credit. Hours: 3

Semester: Spring 2015  
Prerequisites: ACCT 1341, ECON 1331, MATH 3332

Days & hours: Mon/Wed 12:10 – 1:45 pm

2. Instructor Information

Name: Peter Obitade  
Office Hours: By appointment ONLY
E-mail: petetola@hotmail.com

Where to leave assignments: Assignments should be submitted in with soft copy format via BB.

3. Course Catalog Description

Analysis of corporate use of financial markets and decision-making, with emphasis on stock and bond valuations and returns. The course further demonstrates corporate decision making in the areas of capital budgeting, corporate financial structure and dividend policy.

This course is designed to be as practicable as possible. In this class, I will teach not only the theories of corporate finance, but most importantly, the students will be exposed to the practical (real life) applications of these concepts in modern corporations. In essence, the primary goal of the course is to demonstrate how finance theories are utilized by corporations to be competitive in today’s global integrated economic environment. This approach will help to better prepared students for the labor market. I will leverage and share with the class over 20 years of professional experiences as Senior Financial Analyst, Treasury/Risk Manager and Global Financial System Manager for Fortune 500 companies.

4. BBA Learning Goals and Objectives:

The Bachelors of Business Administration program has five goals. When students complete the BBA degree at the University of St. Thomas:

Goal 1. They will be able to communicate effectively.
Objective 1: Graduates will deliver a compelling oral presentation.
Objective 2: Graduates will demonstrate mastery of communication technology.

Objective 3: Graduates will write professional quality documents.

Goal 2. They will be adept at critical thinking.

Objective 1: Graduates will analyze problems in-depth.
Objective 2: Graduates will evaluate data thoroughly.
Objective 3: Graduates will present feasible solutions for problems.

Goal 3. They will be able to work effectively in teams.

Objective 1: Graduates will work collectively towards team objectives.
Objective 2: Graduates will demonstrate professional interpersonal relations with other team members.

Goal 4. They will be ethical decision makers.

Objective 1: Graduates will recognize the ethical issues implicit in a business situation.
Objective 2: Graduates will describe and use ethical frameworks applicable to business situations.

Goal 5. They will be knowledgeable about fundamental business issues and processes.

Course Learning Objectives:

1. Perform calculations of present and future values and rates of return on investments (Goal 2: Critical Thinking).
2. Compute the fundamental (intrinsic) value of a share of stock and relate the price computation to risk/return analysis using the capital asset pricing model (CAPM) (Goal 2: Critical Thinking).
3. Compute bond prices and bonds’ yields to maturity (Goal 2: Critical Thinking).
4. Perform capital budgeting analyses using both the NPV and IRR and explain how capital budgeting relates to dividend policy (Goal 5: Knowledge).
5. Explain the principles involved in finding the optimal capital structure (amount of debt vs. equity) of a corporation (Goal 2: Critical Thinking).
6. Explain and compute the effects of exchange rate changes on international investment decisions (Goal 5: Knowledge).

6. Texts, Readings, Materials

**Required financial calculator:** A financial calculator is required for the course (Texas Instruments BAII Plus recommended and will be demonstrated in class). The BA II Plus does everything that is required in the course but other calculators with similar capabilities are acceptable as well. You cannot share calculators with other students during exams. Make sure to learn how to use your calculator prior to the scheduled exams.

**7. Instructional methods:**

Class time will be devoted to lecture, discussion, and analysis of assigned problems. Finance is a subject highly problem oriented. Assigned problems will be collected but will not be returned to you. However, I do check homework on a randomized basis. The solutions for the homework problems will be posted on BB regularly. We will discuss these solutions for the problems in class as our time permits. Active participation in class is encouraged and required. You will also be assigned a team project throughout the semester.

**8. Technology**

Students are expected to be able to perform the following:
1) Online data retrieval and/or research on the World Wide Web;
2) Online communication or collaboration with each other;
3) Use of Microsoft Office programs to complete assignments;
4) Use of a calculator (regular and/or financial);
5) Use of BlackBoard learning platform

**9. Course Tentative Schedule:**

<table>
<thead>
<tr>
<th>Assignments of topics, exams</th>
<th>Days</th>
<th>Homework - Easy Problems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chap 1 - Introduction</td>
<td>01/13 &amp; 01/15</td>
<td>Q 1.1 - 1.5</td>
</tr>
<tr>
<td>Chap 2 – Financial Market and Institution</td>
<td>01/20 &amp; 01/22</td>
<td>Q 2.1 - 2.5</td>
</tr>
<tr>
<td>Chap 3 – Financial Statement, Cash Flow and Taxes</td>
<td>01/27 &amp; 01/29</td>
<td>Q 3.1 - 3.5</td>
</tr>
<tr>
<td>Chap 4 – Analysis of Financial Statement</td>
<td>02/03 &amp; 02/05</td>
<td>Q 4.1 - 4.5</td>
</tr>
<tr>
<td>Review 1</td>
<td>10-Feb</td>
<td>No homework</td>
</tr>
<tr>
<td>Test 1</td>
<td>12-Feb</td>
<td>Chapter 1, 2, 3, &amp;4</td>
</tr>
</tbody>
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Peter Obitade  FINA 3339 - Corporate Finance
10. Course Policies

1) Pre-class readings
   Although the textbook is good reference for review and studying, many students reflect that it is hard to understand without first learning the material in class. To promote in-class understanding and discussion, I encourage you to read the each chapter before the class period to familiarize yourself with the topics. Reading it before class is mandatory and counts towards class participation.

   Please start the homework and study for homework early in the week, otherwise you will be “triple-busy” (HW, quiz-prep, and reading) before the class.

1. Your regular attendance is strongly encouraged and mandatory. An important part of your final grade depends on your class participation which can only be achieved by regularly attending and contributing to the class.

2. Make up exams will not be permitted unless I am notified of your absence on an exam before the exam date. Make up exams from excused absences will be
scheduled at a time mutually agreeable to the instructor and the student.

3. You should prepare for ALL regularly scheduled classes prior to class meeting. Also, you are expected to arrive on time and stay in class until the class period ends. If you know in advance that you will need to leave early, please notify me before the class period begins.

4. Comments and questions are encouraged to share with the whole class. Private discussion or chatting with your peers are discouraged and will be viewed as destructive for the learning environment. Please respect the class by not doing so.

5. Participation performance is determined by your contribution to the learning process in class. It includes, but not limited to, comments, personal insights, constructive questions, work experience, and answers to assignments and cases.

6. The use of cell phones and other electronic devices such as laptops, electronic reading devices, and smart phone features is discouraged during the class period. Unless for important reasons, please try not to use it.

7. Your team’s consistent dedication for the group project is essential to complete the course successfully. Contribution of each team member to the project is expected and evaluated.

Attendance Policy
Attendance is mandatory and expected. If you missed four or more class meetings, your course grade, at the instructor's discretion, will be reduced by one letter grade. If you missed more than four classes, at the instructor's discretion, the grade will automatically become an F.

Academic Honesty
Academic integrity is very highly regarded at the University of St. Thomas. Using someone else’s work as your own is a grave violation of this principle. Ethical conduct is essential to a community of scholars and students searching for truth. Anything less than total commitment to honesty and honorable conduct undermines the efforts of the entire community. In the Cameron School of Business, students and faculty are expected to commit to a code that exemplifies each individual's honor and integrity. Any conduct that violates this standard and betrays the respect of others is a matter of grave concern and, accordingly, is deemed unacceptable.
**11. Student Evaluation Procedures:**

Grades of this class will be determined based on three exams, homework assignments, group project, and class participation. There are three exams and they will in total count for 50% of the total course grade. Group project, homework assignments, and class participation count for 10%, 10%, 5%, respectively. Class participation includes, but not limited to, comments, feedback, answers to class discussion and in-class problem solving sessions.

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage of total grade</th>
<th>Grade</th>
<th>Grade letter</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 exams : Exam 1, 2 and Final</td>
<td>Exam 1 and 2 each account for 15% (15*2); Final exam = 20%</td>
<td>93-100</td>
<td>A</td>
</tr>
<tr>
<td>Homework</td>
<td>10%</td>
<td>90 - 93</td>
<td>A-</td>
</tr>
<tr>
<td>Group Project</td>
<td>20%</td>
<td>87 - 89</td>
<td>B+</td>
</tr>
<tr>
<td>Weekly Business News Report</td>
<td>10%</td>
<td>84 - 86</td>
<td>B</td>
</tr>
<tr>
<td>Movie Review</td>
<td>5%</td>
<td>80 - 83</td>
<td>B-</td>
</tr>
<tr>
<td>Class Participation</td>
<td>5%</td>
<td>77-79.9</td>
<td>C+</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>74-76.9</td>
<td>C</td>
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<tr>
<td></td>
<td></td>
<td>70-73.9</td>
<td>C-</td>
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<td></td>
<td></td>
<td>60-69.9</td>
<td>D</td>
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<tr>
<td></td>
<td></td>
<td>Below 60</td>
<td>F</td>
</tr>
</tbody>
</table>

**12) Weekly Business News Report:** Read business articles, opinions or news in the follow business media listed below (ONLY). Reading these magazines/opinions will help you relate topics covered in class to the real business world and will be instrumental in preparing you for career in business.

After reading the article, summarize the content and submit one-page paper (each week) by answering these 3 questions:

A) What is the topic discussed in the article?
B) Why is the topic important or why should we care about the topic?
C) How will the knowledge gained from this article help you prepared for future career in finance or business?

Cite your sources in APA format

CNNMoney.com
Marketwatch.com
Yahoo Finance
CNBC TV
Nightly Business News Report (PBS)
Wall Street Journal,
Improve your presentation skill – As part of the 10% grade for this review, you are required to create a 3-page PowerPoint to be presented in the class during the semester: one presentation per student. More information to follow……..

13) Required movies: There will be 2 movies for you to watch outside the class. Our library has these movies and you can check out these movies from our library. You will then submit a 1-2 pages synopsis of each movie as homework assignments via BB. The names of the movies are:

A) Inside Job (Director: Charles Ferguson) — Synopsis is due on March 13, 2015.

B) Enron: The Smartest Guys in the Room (Director: Alex Gibney, Release date: 9 March 2006) ---Synopsis is due on April 24, 2015.

14) Exams: There will be 3 exams throughout the course. Each of the exams will be worth the same points. Chapters that will be included in each exam are clearly indicated in the tentative class schedule. Exams will contain some or all forms of multiple choice, short answer, and fill-in-the-blank questions as well as numerical problems.

15) Group Presentation: Students are expected to make 20-minute group presentations on financial analysis of a corporation at the end of the semester. Students will work in teams consisting no more than 5 students per group. Each group will conduct a financial research on a company and compare it to its industry/rivals. Students have to approach me to discuss and finalize their companies/industries before February 4, 2015. By this time, the teams must be formed, the companies/industries must be decided and requests will not be entertained beyond this date. On February 11, 2015 students are expected to submit a word file that consists of the names of the team members along with their proposed companies/industries for the project via BB. Further details of this assignment will be provided in class. Presentations will be scheduled for the last couple weeks of classes.

The group presentation and the term paper should include the following (MINIMUM requirements):

- Name and brief history of the company
- Brief introduction of the products and divisions
- Industry analysis
  - The industry name
  - Key players or companies in this industry
  - The market leader
  - Market share of the company under review
  - Main challenges of this industry
Would you like to work for this industry – why and why not?

- SWOT analysis
- Calculate and compare financial ratio of your company to:
  - Main competitor
  - Industry as a whole
- Other important information about this company from SEC filing 10k (including management discussions)
- Additional information

The term paper should be 15 pages long (double spaced) and cited with APA format

Scoring:
The term paper should be 15 pages long (double spaced) and cited with APA format.

There will be 2 scores: individual (5 points) and group (15 points);

Individual – Every student in each group must participate in the presentation. Each student will receive 5 points based on:
  a) Presentation skill
  b) Knowledge of the material
  c) Additional information

Group – The group score is divided into two – Group cohesion/presentation material (PowerPoint) and the quality of group term paper

16) Homework Assignments: There will be several problem and two movie assignments during the semester. It is imperative that each of you tries to solve all the questions and understands the solutions provided. The questions that will appear on exams will be very similar to those on the assignments. Homework will be assigned most weeks after class and will pertain to material covered during that week. Homework has to be submitted by Sunday night of each week. Each student is expected to do all the homework. Some questions from the homework may be discussed in class and input from the students will count toward class participation. Students will be given credit points for all attempted homework at the end of the term. Late homework will be accepted with some restrictions.

12. Accommodations

If you have a documented disability that will impact your work in this class, please contact me to discuss your needs. Additionally, you will need to register with the Counseling and Disability Services Office in Crooker Center. This office can be reached at (713) 525-2169 or 6953.

BlackBoard

The Blackboard Resource Sites for Graduate and Undergraduate students include resources recommended by CSB faculty and librarians for CSB students. All graduate
and undergrad students are enrolled in the respective BB courses at the beginning of the semester. If you do not have access to the Resource site, please contact your course instructor at your earliest convenience. Students do not need to contact the IT Department for access to these two sites. Once the initial setup is completed by the IT Department at the beginning of the semester, additional students are added to the courses manually at CSB.

The Cameron School of Business at University of St. Thomas

MISSION STATEMENT
Inspired by the Basilian Fathers’ motto of Goodness, Discipline and Knowledge, the Cameron School of Business provides a comprehensive, high quality, ethically-oriented business education to a diverse student body enabling graduates to serve as leaders of faith and character in a global economy.