The Cameron School of Business at University of St. Thomas

1. Course Information

Course Title: Corporate Finance

Course number: FINA 3339

Course Section: A

Credit Hours: 3

Prerequisites: ACCT 1341, ECON 1331, MATH 3322. Must be a junior.

Room #: Malloy Hall 012

Class meeting times: TTh 5:30 – 9:50 p.m.

2. Instructor Information

Name: Dr. Daniel Perez Liston

Office location: Welder 208

Office phone: 713-942-3499

Office hours: TTh: 3:00 p.m. – 5:00 p.m., but must be by appointment. Use link on Blackboard to make an appointment via Setmore.

E-mail: drperez@stthom.edu

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.

4. BBA Learning Goals

The Bachelors of Business Administration has five learning goals. When students complete the BBA degree at the University of St. Thomas:
1. They will communicate clearly, effectively and logically in a business situation:
   - Objective 1: Graduates can demonstrate mastery of appropriate communication technology.
   - Objective 2: Graduates can produce written materials that flow logically and are grammatically correct.
   - Objective 3: Graduates can deliver a compelling oral presentation grounded in relevant information and facts.

2. They will be adept at critical thinking and be able to demonstrate creative decision making skills.
   - Objective 1: Graduates can identify the main problem and key surrounding assumptions.
   - Objective 2: Graduates can evaluate the logic, validity and relevance of data.
   - Objective 3: Graduates can solve challenging problems and discuss conclusions, implications.

3. They will be able to work effectively in teams towards achievement of goals.
   - Objective 1: When working in a group, graduates can demonstrate collaborative behaviors in the achievement of group goals
   - Objective 2: When working in a group, graduates can evidence accountability for the achievement of group goals
   - Objective 3: When working in a group, graduates can demonstrate a positive attitude towards the group and the other members of the group

4. They will be able to state moral standards/principles, recognize possible moral issues and bring their moral knowledge to bear in resolving these moral issues.
   - Objective 1: Graduates can state professional codes for ethical conduct as they apply to business situations.
   - Objective 2: Graduates can discern moral issues in a business case.
   - Objective 3: Graduates can bring moral principles to bear in resolving business issues.

5. They will demonstrate an understanding of fundamental business issues and processes.
   - Objective 1: When students complete the BBA, they can demonstrate their management specific skills and competencies in Accounting, Economics, Management, Quantitative methods, Finance, marketing, Legal and Social Environments, Information System and Global Issues

The first four goals are assessed across the curriculum using a rubric based method. The fifth goal is assessed employing ETS Major Field Test

**5. Course Learning Goals** (and relationship to program goals and objectives)
After completing this Corporate Finance course, you should be able to:

1. perform calculations of present and future values and rates of return on investments. (address goal 2)
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). (address goal 2)
3. compute bond prices and bonds’ yields to maturity. (address goal 2)
4. perform capital budgeting analyses using both the NPV and IRR and explain how capital budgeting relates to dividend policy. (address goal 5)
5. explain the principles involved in finding the optimal capital structure (amount of debt vs. equity) of a corporation. (address goal 2)
6. explain how firms raise funds through the sale of securities (stocks and bonds). (address goal 2)
7. explain and compute the effects of exchange rate changes on international investment decisions. (address goal 5)

6. Texts, Readings, Materials

Required readings, financial calculator, Simulator Package


- A financial calculator with cash flow functions (NPV, IRR) is required. If you do not have a financial calculator, I recommend the Texas Instruments TI 83. I will be using the calculator for classroom demonstrations. If you use a different calculator make sure you have the manual, so that you may learn how to use it on your own or you can “google” instructions on how to use it.

7. Instructional methods

This course uses lectures and class discussions to present the required materials. While the course covers some institutional material as background information, the emphasis throughout is on quantitative analysis and problem solving. Numerous problems are assigned and solved in the classroom, often with active student participation. In addition, the students are also required to prepare individual case studies.

8. Technology

1) Online data retrieval and/or research.

2) Use of general productivity software (e.g., Microsoft Office, Excel) to complete assignment.
3) Blackboard.

9. Course Tentative Schedule

<table>
<thead>
<tr>
<th>Week</th>
<th>Tentative Topic*</th>
<th>Chapter</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 4th</td>
<td>No classes, 4th of July</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>Introduction and Syllabus</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>The Time Value of Money (online)</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>The Time Value of Money</td>
<td>5</td>
</tr>
<tr>
<td>13</td>
<td>Risk and Rates of Return</td>
<td>8</td>
</tr>
<tr>
<td>18</td>
<td>Financial Mkts and Institutions</td>
<td>2</td>
</tr>
<tr>
<td>20</td>
<td>Valuation: Stocks</td>
<td>9</td>
</tr>
<tr>
<td>25</td>
<td>Midterm Exam</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Capital Budgeting Techniques</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Interest Rates (online)</td>
<td>6</td>
</tr>
<tr>
<td>Aug 1st</td>
<td>Valuation: Bonds</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Multinational Financial Mgt</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Final Exam (online)</td>
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Statement on tentativeness of schedule:
The above schedule and procedures in this course are subject to change in the event of circumstances beyond the instructor's control.

10. Course Policies

1) Students are expected to attend every class. It is the student’s responsibility to keep informed of any announcements, syllabus adjustments, or policy changes made during scheduled classes. I maintain a blackboard site for this course and will do my best to post such announcements in a timely manner on the site. However, you are still responsible for all class announcements, not just those that get posted to the web site.

2) Please turn off your cell phones and all other electronic devices before entering the classroom.

11. Student Grading Processes

There will be two exams; one midterm (worth 35%) and one final (worth 35%). In Homework is worth 30%. If you know you will miss an exam for a legitimate reason,
notify me as soon as possible, so we can make alternative arrangements. Without an
explanation in advance, a make-up exam is unlikely to be allowed.

Final grade:  
93-100   A  
90-92    A-  
87-89    B+  
84-86    B  
80-83    B-  
70-79    C  
below 70  F

12. Available Support Services:

You can reach me during my office hours to discuss homework, lectures, or any other
aspect of the class. In addition, you can reach me by phone and email.

**Academic Honesty** 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. Academic integrity lies at the
very heart of any institution of higher learning. 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.

**Accommodations** The University of St. Thomas abides by the Americans with
Disabilities Act and Section 504 of the Rehabilitation Act of 1973, which stipulates that
no student shall be denied the benefits of an education "solely by reason of her or his
disability." If you have a documented disability that may impact your performance in
this class and for which you may require accommodations, you must be registered with
and provide documentation of your disability to Counseling and Disability Services
which is located on the second floor of Crocker Center. Contact Debby Jones or Rose
Signorello at 713-525-6953 or 713-525-3162.

**Tutorial Services** Students are encouraged to consult with tutors at the Learning and
Writing Center when completing written assignments for this course. Based on the
instructor’s assessment of the student’s written work, the student may be required to work
with the tutors at the Learning and Writing Center to improve the student’s writing skills.
The Cameron School of Business at University of St. Thomas

MISSION STATEMENT

The Cameron School of Business will serve students of diverse backgrounds, providing them the necessary professional skills for a changing global economy, and instilling in them a deep appreciation for ethical behavior as the hallmark of a successful and fulfilling business career. The Cameron School will provide its students a timely and comprehensive business curriculum, with opportunities for specialized study in major business fields. The faculty will provide quality teaching, as this is the core of our mission. As an extension of our teaching mission, the faculty will engage in scholarly activity and service to the University, the profession, and the community.