

**Syllabus**  
FIN 4414  
Advanced Corporation Finance

Semester: Summer 2009  
Class time: Tuesday & Thursday 3:30-5:30 p.m.  
Class room: BSN 2305  
Office hours: Thursday 2:30-3:30 pm or by appointment  
Course webpage: my.usf.edu

Instructor: Lei Wedge  
Office: BSN 3126  
Phone: 974-6351  
E-mail: [lwedge@coba.usf.edu](mailto:lwedge@coba.usf.edu)

***Course Objective and Expectations:***

This course synthesizes financial theories and the practices of business firms to help students develop analytical skills and judgment ability in solving financial problems. Upon successful completion of the course, the student should have a good understanding of a broad range of major finance concepts, including bond and stock valuation, agency theory, market efficiency, and capital structure theory. The case approach used in this course is designed to enhance the student's ability to apply the theories to solve complex and practical problems using critical thinking and data analysis.

The pace of the course is fast. You should keep up with assigned reading and homework. In particular, you should promptly review notes after each class and work on end-of-chapter quiz and assigned practice questions in conjunction with reading assignment. Answers to quiz questions are provided in the textbook, and answers to assigned practice questions are available on the course website.

The class will be a combination of lecture, discussion, and case analysis. Class participation/contribution is strongly encouraged.

***Prerequisites:***

FIN 3403, Financial Management, or its equivalent, is a prerequisite. Basic economic, accounting, and statistical knowledge will be helpful. Some spreadsheet skills are needed.

Students who enter USF after 2002 are required to earn a grade of C- or better in every core class, and an overall GPA of 2.0 for all core classes.

***Course Material:***

Textbook: *Corporate Finance* (8<sup>th</sup> Edition), Stephen A. Ross, Randolph W. Westerfield, and Jeffrey Jaffe, McGraw-Hill Irwin.

Cases: The course packet contains four cases and is available for purchase at Pro-Copy (5219 E Fowler Ave, (813) 988-5900).

*The Wall Street Journal* is highly recommended. Many of its articles relate to our course materials.

***Course Webpage:***

The class website, *my.usf.edu*, contains the syllabus, course outlines, class notes, exam grades, announcements, and other class-related information. You are responsible for checking the course webpage for announcements and other information.

**Course Grading:**

Cases	40%
Class Presentation	10%
Exam 1	25%
Exam 2	<u>25%</u>
	100%

Details about case work will be given out later during the course. I will expect you to work in a group and turn in a write-up of your analysis. All cases are due by 9:00 a.m. the day PRIOR to the class. You are allowed to skip one case submission during the semester and I will replace it with your highest case grade.

*Exam policy:*

The two exams are closed-book and closed-notes tests. You may bring to each test scientific/financial calculators and one 8 ½” by 11” “help sheet.” It is your responsibility to know how to use the calculator.

Makeup exams will be scheduled only for students with valid reasons, and then only if I have consented in advance.

*Grading system:*

97% ≤ A+	87% ≤ B+ < 90%	77% ≤ C+ < 80%	67% ≤ D+ < 70%	F < 60%
93% ≤ A < 97%	83% ≤ B < 87%	73% ≤ C < 77%	63% ≤ D < 67%	
90% ≤ A - < 93%	80% ≤ B - < 83%	70% ≤ C - < 73%	60% ≤ D - < 63%	

*Regrading policy:* If you think that there are grading errors on your tests or your grade on an exam does not reflect the quality of your performance, submit the entire exam together with a written explanation of your reasoning within one week of the return of the exam. An exam submitted for regrading will be subject to a complete regrade.

Students are responsible for all material in the assigned readings and in the class lectures.

Any student who anticipates being absent from class due to a major religious holiday must let me know, in writing, by the second class meeting.

**Academic Honesty:**

Honesty is a fundamental principle of academic, business, and community life. Students are expected to demonstrate the highest degree of honesty in performing their assigned work. Matters that are unclear should be discussed with me. All students must comply with USF policies for conduct and academic honesty. See <http://www.ugs.usf.edu/catalogs/0607/adadap.htm> for the ramifications of academic dishonesty.

The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary.

## Course Outline (tentative):

### FIN 4414 Advanced Corporation Finance

Week	Topics	Chapters	Practice Questions (from <i>Corporate Finance</i> , 8 <sup>th</sup> edition)
5/12	Syllabus & Introduction	1, 4	4.6, 4.8, 4.10, 4.11, 4.16, 4.36, 4.37, 4.40
5/14	Syllabus & Introduction		
5/19	Bond and stock valuation	5, 10	5.2, 5.6, 5.15, 5.20, 5.27, 5.29, 10.3, 10.13, 10.33
5/21	Bond and stock valuation		
5/26	Case (1): Valuing Coca-Cola Stock		
5/28	Financial statement analysis	2	2.4, 2.6, 2.8
6/2	Financial statement analysis		
6/4	Case (2): Ocean Carriers (DCF)		
6/9	Review for exam 1		
6/11	Exam 1		
6/16	Capital budgeting	6, 7	6.2, 6.8, 6.15, 6.19, 7.2, 7.3
6/18	Capital budgeting		
6/23	Case (3): Whirlpool Europe		
6/25	Market efficiency and Raising Capital	13	
6/30	Capital structure theory	15, 16, 17	15.12, 15.13, 15.21
7/2	Capital structure theory		
7/7	Case (4): Marriott Corporation		
7/9	Review for exam 2		
7/14	Exam 2		