

## Course Syllabus

### Corporate Financial Theory MBA 680 – 50 3 Credit Hours

#### Course Description

Corporate finance is central to the operation of every organization. This course explores the theoretical aspects of corporate finance. The end goal is to provide students with the tools necessary to conduct accurate financial analysis. For students pursuing a career in finance, the topics provide the foundation for an immersion in the science of finance. Students pursuing non-finance careers will receive a complete coverage of finance issues encountered by all senior managers.

Detailed coverage of corporate finance issues is addressed in this course. Topics such as cost of capital, value of the firm, derivative securities, efficient capital markets, capital structure and others are covered in the context of value maximization.

Strong mathematical skills and extensive use of computer based tools are required. Prerequisite foundation courses are integrated throughout the course and students are assumed to have a working knowledge of financial accounting, economics and statistics.

#### Course Objectives

At completion of the course, students will be able to:

- ⇒ Use financial theory and its associated tools to analyze financial scenarios.
- ⇒ Make capital budgeting decisions based on theoretical principles.
- ⇒ Determine capital structures and other financial policies using CAPM and other tools.
- ⇒ Understand and apply risk, return, opportunity cost, and cost of capital concepts.
- ⇒ Identify the key principles of securities markets, futures & options and understand how each works.
- ⇒ Apply financial analysis concepts to mergers & acquisitions and international finance.

#### Instructor

Dr. Matthew W. Will

Email – [mwill@uindy.edu](mailto:mwill@uindy.edu) (when sending email...start subject with...**MBA680**)

Phone: 788-3370 Office: Esch Hall 103-F

Course Web: [www.mattwill.com](http://www.mattwill.com) Twitter: [@DrMattWill](https://twitter.com/DrMattWill)

*Assignments, homework policy, lecture slides, and actual lectures are available online. A link to textbook web site is provided. Students are encouraged to visit the web on a regular basis.*

#### Class Format & Meeting Times

Tuesdays 5:45 pm – 8:45 pm

Face to Face

#### Office Hours

Monday 11:00 - 12:00

Tuesday 4:30 – 5:30

Wednesday 11:00 – 12:00

## **Required Materials**

Principles of Corporate Finance by Brealey, Myers and Allen, 13<sup>th</sup> ed., New York: McGraw Hill, Inc. 2020.  
(E-Book comes with *CONNECT*)

Homework CONNECT Account (MUST SIGN UP FIRST WEEK)

*Homework CONNECT* links can be found on the course web site

Zoom Access

Email Account

Financial Calculator - HP12c

Access to Personal Computer and Spreadsheet program

## **Required Stuff**

### **Academic Dishonesty and Plagiarism**

You must not adopt or reproduce ideas, words, or statements of another person without giving an appropriate acknowledgement to the source. You must give due credit to the originality of others and acknowledge an indebtedness wherever you:

- Quote another person's actual words, either oral or written;
- Paraphrase another person's words, either oral or written;
- Use another person's ideas, opinions, or theories; or
- Cite facts, statistics, or other illustrative material, unless the information is common knowledge.

*All assignments must be your original work and not the work of other students.* Neither group work nor the individual work of another student may be submitted by you. Submission of such work will be considered academic misconduct. Incidents of academic misconduct, dishonesty and/or plagiarism will be handled as per the Student Handbook.

According to the Student Handbook:

Academic Integrity and Academic Misconduct: The students, faculty, and administrators of the University of Indianapolis commit themselves to the highest level of ethical conduct in academic affairs. The University of Indianapolis, therefore, adopts regulations concerning Academic Misconduct to safeguard the academic integrity of the institution. Academic Misconduct includes, but is not limited to, the following circumstances: (A) Cheating, (B) Fabrication, (C) Plagiarism, (D) Interference, (E) Violation of Course Rules, (F) Facilitating Academic Dishonesty, and (G) Abuse of Confidentiality. For a full statement of the policy refer to the University of Indianapolis Student Handbook, Section I, Academic Information.

### **ADA & Disability Accommodation**

The professor will provide accommodation for students qualifying for disability-related needs. The student should contact the Services for Students with Disabilities office (SSD) to begin the process. (see <http://www.uindy.edu/ssd> for more information).

### **Class Attendance, Preparation & Participation**

Class attendance is an important part of the academic process, and you are expected to attend classes regularly and to manage your schedule in order to meet the demands of this course. If you are absent, you will be responsible for arranging makeup work to be completed prior to the absence or immediately upon return to class at the instructor's discretion. As per the student handbook, reasonable documentation or verification of claims regarding absences may be requested.

Class preparation is critical to success in this course. You are expected to:

- (a) read the assigned material prior to arriving to class, as well as
- (b) review the solved problem illustrations in the chapter and
- (c) prepare a list of questions that you have about the topic.
- (d) participate in class discussions

Please note that the course topics build upon prerequisite knowledge of fundamental business concepts, algebra and basic spreadsheet skills. If you feel you may be deficient in any of these areas, you are encouraged to review them and/or seek tutoring outside of class.

### **UIndy COVID Related Policies**

Students should frequently visit the UIndy COVID policy website <https://www.uindy.edu/coronavirus/>, as policies are frequently updated and students are responsible for knowing the latest developments. For classes that ARE NOT online, students should be prepared to switch to a 100% online format if health circumstances change.

### **Recording & Copyright Policy**

Recording of course lectures and reproduction of class content is not permitted without his expressed permission of Dr. Will. All content created by Dr. Will is copyrighted and he reserves all rights of reproduction and distribution.

### **Course Requirements**

25% Exam 1  
25% Exam 2  
25% Final Exam  
25% Assignments

### **Grading**

A 90-100%  
B 80-89%  
C 70-79%  
F 0-69%

Pluses and minuses are assigned at the instructor's discretion.

## MBA 680 - Fall 2021

Tentative Schedule (subject to change at the instructor's discretion)

Dates	Topic	Reading	Assignment	Slide Set
31-Aug	Introduction, PV, NPV, IRR, Annuities	1, 2, 5	HW #1	#1
7-Sep	Valuation Models & Investment Decisions	4, 6	HW #2	#1
14-Sep	Risk, Return, Cost of Capital, and CAPM	7, 8	HW #3	#2
21-Sep	Capital Budgeting & Project Analysis	9, 10	HW #4	#3
28-Sep	<b>5:45 pm - Exam 1</b> 7:15 pm - Lecture: Payout / Debt Policy	16, 17	HW #5	#6
5-Oct	Financial Distress and Agency Theory	11, 12	HW #6	#4
12-Oct	Capital Markets and Market Efficiency	13, 14, 15	HW #7	#5
19-Oct	Fall Break - No Class			
26-Oct	Capital Structure & Firm Value	18, 19	HW #8	#7
2-Nov	<b>Exam 2</b>			
9-Nov	Debt	3, 23, 24	HW # 9	#8
16-Nov	Options	20, 21, 22	HW #10	# 10
23-Nov	No Class			
30-Nov	Futures Contracts and Hedging	26	HW #11	#11
7-Dec	International Finance / Review for Final	27		#12
14-Dec	<b>FINAL EXAM</b>			