

## **BUSFIN 4211: Corporate Finance**

Professor Ye Li

Teaching Assistant: Cynthia Yin

**Tue. & Thur. 2:20PM – 3:40PM (4799)**

The course introduces students to key concepts in financial management, including financial securities, capital budgeting, risk and return, cost of capital, and capital structure. The course covers financial economics theory as well as empirical evidence on corporate financial policies and applications. It is intended for students aspiring to careers in finance. **This course is 100% online.**

## Course Delivery

- **The lectures will be recorded and uploaded online before the scheduled class time. The recordings can be accessed in PDF lecture slides (on CarmenCanvas) by clicking the title of the lecture or copy-pasting the link below the lecture title to your web browser.** This approach provides students flexible access to course content, and in particular, allows students to choose the time to watch lectures at their own convenience. Note that the audio transcript is not accurate as it is done by voice recognition algorithms. So please watch the videos with the voice on.
- **Please go through the lecture recordings BEFORE the class meetings at the scheduled time (i.e., the real-time Zoom sessions). You can find the correspondence between lectures and classes in the course schedule below.** During the real-time sessions, the professor will address your questions on the course materials and logistics. **Bring your questions to the Zoom meetings.**
- **To join the real-time Zoom sessions on scheduled dates, use the following link**  
<https://osu.zoom.us/j/95328611686?pwd=aWFkOXNJZUdsV0I2Yld5RUJFN0NkUT09>
  - **This link is used throughout the course, on both lecture days and exam days.**
  - The right to access this link and the class meetings belongs to students in this class only. You must not share this link with anyone who is not enrolled in this class.

## Course Material

- Prof. Ye Li's **lecture notes**, **lecture recordings**, and **practice questions**.
- Textbook: *Fundamentals of Corporate Finance*, 4<sup>th</sup> Edition, by Berk, DeMarzo, and Harford (ISBN-13: 978-0134475561; ISBN-10: 0134475569). You are welcome to use earlier or later editions of the book or purchase chapters individually as you see fit. The sequencing of chapters may differ across the editions. The course schedule (below) allows you to map lectures to chapter titles. The course will only cover the overlapping materials across the editions.
- **Copyright for instructional materials**: The materials used in connection with this course are subject to copyright protection and are only for the use of students officially enrolled in the course for the educational purposes associated with the course. Copyright law must be considered before copying, retaining, or disseminating materials outside of the course.

## Communication Protocols

- **Please ask questions about lectures and logistics in the real-time Zoom sessions.** Face-to-face communication is always the most efficient way. **If you have a question on course policies, please refer to the syllabus first.** If an issue cannot be resolved in person, you may email the professor at li.8935@osu.edu. **If your email is not answered, bring your questions to the class.**
- Teaching Assistant: **Cynthia Yin**, finance PhD student, yin.708@osu.edu
  - **Please email Cynthia for absence from exams with attachments of PROOF OF REASON from doctors, university offices, internship company etc.**
  - Cynthia can also help with questions on course materials.

- For *enrollment/waitlist issues*, please *contact Anthony Palma* at palma.16@osu.edu
- *All important class-wide messages will be sent through Announcements in CarmenCanvas.* Please check your notification preferences to ensure you receive these messages.
- Zoom and the Zoom chat are our classroom spaces where respectful interactions are expected.
- *During our real-time Zoom sessions, please login through CarmenZoom or type your real name when your join.* The professor will not let anyone who is not enrolled in this class enter the Zoom sessions.
- Let's maintain a supportive learning community where everyone feels safe and where people can disagree amicably. Remember that sarcasm doesn't always come across online.

## Grading Policies, Quizzes, and Exams

### Grade Allocation:

The 1st Midterm	25%
The 2 <sup>nd</sup> Midterm	25%
Final Exam	50%

### Midterm Exam Policies:

- There are two midterm exams. Both have a perfect score of 100. Both are *closed-book* and consist of only *multiple choice problems*. *Please read the course schedule (below) for the dates and what will be covered in each midterm exam.*
- The score of each exam is equal to the percentage of questions that are answered correctly. For example, if a student correctly answers 10 out of 14 questions, the student scores 71.4 out of 100.
- *Calculator is allowed, but other electronic devices are not allowed.*
- *Formula sheet will be uploaded to CarmenCanvas at least one day before the exams.*
- *Both midterm exams last for a full class session (i.e., 80 minutes) on CarmenCanvas.*
- *Please read the policies on missed exams:* If a student misses one of the two midterm exams and can provide a proof of reason from a trusted third-party (e.g., doctors, university offices, internship company supervisor), the 25% grade of the missed midterm will be assigned to the final exam, so the final exam will count for  $50\% + 25\% = 75\%$ . If a student misses both midterm exams and can provide a proof of reason from a trusted third-party, the total 50% of two missed exams will be assigned to the final exam, so the final exam will count for  $50\% + 25\% + 25\% = 100\%$ . If a student misses a midterm exam but cannot provide a proof of legitimate reason, zero will be assigned as the score for the missed midterm exam.
- *There will be no makeup exam.*

### Final Exam Policies:

- *The dates and time slots of the final exam will be determined by the university's final exam schedule:* <https://registrar.osu.edu/scheduling/finals/finals.asp>
- The score of the exam is equal to the percentage of questions that are answered correctly. For example, if a student correctly answers 12 out of 14 questions, the student scores 86 out of 100.
- The final exam lasts 80 minutes, is *closed-book*, and consists of *multiple choice problems*.
- Calculator is allowed, but other electronic devices are not allowed.
- *Formula sheets will be uploaded to CarmenCanvas at least one day before the final exam.*
- *There will be no makeup final exam.*
- *Please read the policies on missed final exam:* If a student misses the final exam and can provide a proof of reason from a trusted third-party (e.g., doctors, university offices, internship company supervisor), the 50% grade of the final exam will be evenly distributed to the midterm exams.

## Exam Proctoring

- All exams **start exactly at the minute when the class starts** (the dates in the schedule below).
- **The proctoring will be done via Zoom.**
- **Join the real-time Zoom session** (via the link in this syllabus) **3 minutes before the exam starts.**
- Make sure you have **TWO devices, one for the exam** (e.g., a laptop or a computer) and **the other for the Zoom session** (e.g., a mobile phone). This way, you can still communicate with the proctor during the exam through the Zoom chat room.
- **Join the real-time Zoom session BEFORE open the exam on CarmenCanvas. If you open the exam before joining the Zoom session, you will get a ZERO for the exam.** After the exam, the time when you join the Zoom session and the time when you open the exam will be compared.
- **Join the Zoom session with your REAL NAME;** otherwise, your records of Zoom start time and exam start time cannot be matched.
- **Keep your Zoom camera ON** throughout the exam so that the proctor can see you.
- **Keep the Zoom voice ON** throughout the exam so that you can hear the proctor calling you (randomly) to show your surroundings.
- The exams will be taken via the **LockDown Browser**, which is similar to a standard web browser (e.g., Firefox) but with streamlined features. During the exam, your screen will be locked. On how to install and use the LockDown Browser, please refer to the materials below:  
<https://web.respondus.com/wp-content/uploads/2020/07/RLDB-QuickStartGuide-Instructor-CanvasNewQuizzes-1.pdf> (Link to an external site)  
<https://web.respondus.com/he/lockdownbrowser/resources/> (Link to an external site)  
<https://web.respondus.com/lockdown-student-overview-canvas/> (Link to an external site)  
<https://web.respondus.com/lockdownbrowser-student-video/> (Link to an external site)
- Proctorio will not be used.
- **A practice/fake exam will be posted on CarmenCanvas for you to try the LockDown Browser** and familiarize yourself with the general setup. If the LockDown Browser has not yet been installed on your device before you take the practice/fake exam, an installation requirement will likely to prompt when you access the practice/fake exam. If you have any technical issues during the trial, please reach out to the teaching assistant for help.

## Course Technology and Equipment

- You may need a calculator for the quizzes and exams.
- Required Technology skills specific to this course: [CarmenZoom virtual meetings](#)
- For help with your password, university email, Carmen, or any other technology issues, questions, or requests, contact the Ohio State IT Service Desk. Standard support hours are available at [ocio.osu.edu/help/hours](https://ocio.osu.edu/help/hours), and support for urgent issues is available 24/7.  
**Self-Service and Chat support:** [ocio.osu.edu/help](https://ocio.osu.edu/help)  
**Phone:** 614-688-4357(HELP)  
**Email:** [servicedesk@osu.edu](mailto:servicedesk@osu.edu)  
**TDD:** 614-688-8743
- Baseline technical skills and software for online courses: (1) basic computer skills; (2) Word, Excel, PowerPoint (Free Microsoft Office 365 ProPlus through Microsoft's Student Advantage program. Instructions for downloading and installation can be found at [go.osu.edu/office365help](https://go.osu.edu/office365help).)
- Navigating Carmen: for questions about specific functionality, see the [Canvas Student Guide](#).

- Required equipment: (1) Computer: current Mac (OS X) or PC (Windows 7+) with high-speed internet connection; (2) Webcam: built-in or external webcam, fully installed and tested; (3) Microphone: built-in laptop or tablet mic or external microphone
- Other: a mobile device (smartphone or tablet) or landline to use for BuckeyePass authentication

## Time Expectation

The University and College expectation is that students spend two hours outside of class for every hour spent in class. Since this course meets almost 3 hours per week, you should expect to spend around 6 hours per week outside of class on course-related work.

## Tentative Class Schedule

Date	Topic	Textbook Chapter	Exam Coverage
Aug. 24	(1) Syllabus, Time Value of Money	Textbook Chapter 3, 4	
Aug. 26	(2) Stock Valuation I	Textbook Chapter 7	
Aug. 31	(3) Stock Valuation I (continue)	Textbook Chapter 7	
Sep. 2	(4) Rules for Valuing Projects I	Textbook Chapter 8	
Sep. 7	(5) Rules for Valuing Projects II	Textbook Chapter 8	
Sep. 9	(6) Capital Budgeting I	Textbook Chapter 9	
Sep. 14	(7) Capital Budgeting II	Textbook Chapter 9	
Sep. 16	(8) Stock Valuation II	Textbook Chapter 10	
Sep. 21	(9) Risk and Return	Textbook Chapter 11	
Sep. 23	(10) Capital Asset Pricing Model	Textbook Chapter 12	
Sep. 28	(11) Capital Asset Pricing Model (continue)	Textbook Chapter 12	
Sep. 30	First Midterm		The exam covers Lecture 1 to 11.
Oct. 5	(12) Capital Structure	Textbook Chapter 16.1, 16.2	
Oct. 7	(13) Capital Structure (continue)	Textbook Chapter 16.1, 16.2	

Date	Topic	Textbook Chapter	Exam Coverage
Oct. 12	(14) Cost of Capital	Textbook Chapter 13	
Oct. 14	No Class – Autumn Break		
Oct. 19	(15) Debt and Taxes	Textbook Chapter 16.3	
Oct. 21	(16) Optimal Capital Structure	Textbook Chapter 16.4, 16.5, 16.6	
Oct. 26	(17) Optimal Capital Structure (continue)	Textbook Chapter 16.4-16.6	
Oct. 28	(18) WACC Estimation; Payout Policy I	Textbook Chapter 17	
Nov. 2	(19) Payout Policy II	Textbook Chapter 17	
Nov. 4	(20) Issuance of Equity	Textbook Chapter 14	
Nov. 9	Review of Lecture 1 to 20		
Nov. 11	No Class – Veterans Day		
Nov. 16	Second Midterm		The exam covers Lecture 1 to 20.
Nov. 18	(21) Issuance of Debt	Textbook Chapter 15	
Nov. 23	(22) Introduction to Options	Textbook Chapter 21	
Nov. 25	No Class – Thanksgiving		
Nov. 30	(23) Mergers and Acquisitions I	Textbook Chapter 22	
Dec. 2	(24) Mergers and Acquisitions II	Textbook Chapter 22	
Dec. 7	(26) Final Review		
Final Exam: OSU official time schedule can be found at: <a href="https://registrar.osu.edu/scheduling/finals/finals.asp">https://registrar.osu.edu/scheduling/finals/finals.asp</a>			

## Academic Conduct and Integrity

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the

Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University's Code of Student Conduct (<https://trustees.osu.edu/bylaws-and-rules/code>), *this syllabus, instructions posted in Carmen, and instructions given in class/lectures, including any sharing, posting, or distribution of any assignment, assessment activity, or solution via any method* may constitute Academic Misconduct (<https://oaa.osu.edu/academic-integrity-and-misconduct>)

The Ohio State University's Code of Student Conduct (Section 3335-23-04) defines academic misconduct as: Any activity that tends to compromise the academic integrity of the University, or subvert the educational process. Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's Code of Student Conduct is never considered an excuse for academic misconduct, so I recommend that you review the Code of Student Conduct and, specifically, the sections dealing with academic misconduct.

If I suspect that a student has committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to the Committee on Academic Misconduct. If COAM determines that you have violated the University's Code of Student Conduct (i.e., committed academic misconduct), the sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University. *If you have any concerns or questions about the above policy or what constitutes academic misconduct in this course, please contact me before taking individual action.*

Other sources of information on academic misconduct (integrity) to which you can refer include:

- [Committee on Academic Misconduct](https://go.osu.edu/coam) (go.osu.edu/coam)
- [Ten Suggestions for Preserving Academic Integrity](https://go.osu.edu/ten-suggestions) (go.osu.edu/ten-suggestions)
- [Eight Cardinal Rules of Academic Integrity](https://go.osu.edu/cardinal-rules) (go.osu.edu/cardinal-rules)

## Disability Services

The university strives to make all learning experiences as accessible as possible. In light of the current pandemic, students seeking to request COVID-related accommodations may do so through the university's [request process](#), managed by Student Life Disability Services. If you anticipate or experience academic barriers based on your disability (including mental health, chronic, or temporary medical conditions), please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with Student Life Disability Services. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. **SLDS contact information:** [slds@osu.edu](mailto:slds@osu.edu); 614-292-3307; [slds.osu.edu](https://slds.osu.edu); 098 Baker Hall, 113 W. 12<sup>th</sup> Avenue.

## Accessibility of Course Technology

This online course requires use of CarmenCanvas (Ohio State's learning management system) and other online communication and multimedia tools. If you need additional services to use these technologies, please request accommodations as early as possible.

- [CarmenCanvas accessibility](https://go.osu.edu/canvas-accessibility) (go.osu.edu/canvas-accessibility)
- [CarmenZoom accessibility](https://go.osu.edu/zoom-accessibility) (go.osu.edu/zoom-accessibility)



## Mental Health

As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance or reduce a student's ability to participate in daily activities. No matter where you are engaged in distance learning, The Ohio State University's Student Life Counseling and Consultation Service (CCS) is here to support you. If you find yourself feeling isolated, anxious or overwhelmed, [on-demand mental health resources](https://go.osu.edu/ccsondemand) (go.osu.edu/ccsondemand) are available. You can reach an on-call counselor when CCS is closed at [614- 292-5766](tel:6142925766). **24-hour emergency help** is available through the [National Suicide Prevention Lifeline website](https://suicidepreventionlifeline.org) (suicidepreventionlifeline.org) or by calling [1-800-273-8255\(TALK\)](tel:18002738255). [The Ohio State Wellness app](https://go.osu.edu/wellnessapp) (go.osu.edu/wellnessapp) is also a great resource.

## Harassment, Discrimination, & Sexual Misconduct Free Environment

The Ohio State University is committed to building and maintaining a community to reflect diversity and to improve opportunities for all. All Buckeyes have the right to be free from harassment, discrimination, and sexual misconduct. Ohio State does not discriminate on the basis of age, ancestry, color, disability, ethnicity, gender, gender identity or expression, genetic information, HIV/AIDS status, military status, national origin, pregnancy (childbirth, false pregnancy, termination of pregnancy, or recovery therefrom), race, religion, sex, sexual orientation, or protected veteran status, or any other bases under the law, in its activities, academic programs, admission, and employment. Members of the university community also have the right to be free from all forms of sexual misconduct: sexual harassment, sexual assault, relationship violence, stalking, and sexual exploitation.

To report harassment, discrimination, sexual misconduct, or retaliation and/or seek confidential and non-confidential resources and supportive measures, contact the Office of Institutional Equity:

1. Online reporting form at [equity.osu.edu](https://equity.osu.edu),
2. Call 614-247-5838 or TTY 614-688-8605,
3. Or email [equity@osu.edu](mailto:equity@osu.edu)

The university is committed to stopping sexual misconduct, preventing its recurrence, eliminating any hostile environment, and remedying its discriminatory effects. All university employees have reporting responsibilities to the Office of Institutional Equity to ensure the university can take appropriate action:

- All university employees, except those exempted by legal privilege of confidentiality or expressly identified as a confidential reporter, have an obligation to report incidents of sexual assault immediately.
- The following employees have an obligation to report all other forms of sexual misconduct as soon as practicable but at most within five workdays of becoming aware of such information:
  1. Any human resource professional (HRP);
  2. Anyone who supervises faculty, staff, students, or volunteers;
  3. Chair/director; and
  4. Faculty member.