

BUSFIN 4211: Corporate Finance

Summer 2022

Instructor: Daisy Wang

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Office: 740 Fisher Hall

Class time: Tuesday and Thursday 11:10 – 12:30

Office Hour: Tuesday 12:45 – 1:45

Course Description

The course introduces students to key concepts in financial management, including financial securities, capital budgeting, risk and return, cost of capital, capital structure, and real options. 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.

Course Material

Textbook: *Fundamentals of Corporate Finance*, 5th Edition, by Berk, DeMarzo, and Harford.

The textbook and/or courseware for this course is being provided via CarmenBooks. Through CarmenBooks, students obtain publisher materials electronically through CarmenCanvas, saving them up to 80% per title. The fee for this material is included as part of tuition and is listed as CarmenBooks fee on your Statement of Account. In addition to cost-savings, materials provided through CarmenBooks are available immediately on or before the first day of class. There is no need to wait for financial aid or scholarship money to purchase your textbook.

Please note that you have the option to opt-out. For more information on the program or information on how to opt out, [please visit the CarmenBooks website](#). Unless you choose to opt-out of the program, you do NOT need to purchase any materials for this course at the bookstore.

Access this eBook through the CarmenBooks reader link in the course navigation. The textbook is the primary source of pre-lecture readings. However, problems from the book will not be graded, so you are welcome to use earlier editions of the book or purchase chapters individually as you see fit.

Special COVID Treatment

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; 614-292-3307; slds.osu.edu; 098 Baker Hall, 113 W. 12th Avenue.

Attendance

Students are expected to attend all lectures in person. This includes participating in the class discussions. If you need to miss an occasional lecture, there is no need to notify me but you are responsible for learning anything that is missed. If you skip class regularly, it will be reflected in your participation grade.

Students need to bring their name tents to all classes. If you forget it, you are asked to build a temporary one for the day.

Attendance at quizzes and exams is mandatory. **There are no rescheduling for the exams**, except with my permission **prior to** the exam or with evidence of a clear emergency* (e.g. hospitalization) that prevented you from obtaining such permission. My permission will only be granted if you have a legitimate conflict. You must inform me as soon as possible and by the end of the second week of classes (i.e., please check now to ensure the exam days do not conflict with a religious holiday, etc.). If you think you will miss an exam (1) contact me as soon as possible and (2) bring reliable proof of legitimate conflict (doctors' notes*, copy of death certificate, etc.). Without clear and hard evidence, you will get no credit and will not be allowed to retake the exam.

*Doctors' notes accepted for this course need to state that the student is unable to attend the class on the date of the class, with doctors' signature, address and phone number.

Please note that both sharing access code to quizzes and exams with your classmates and attempting to take the exams outside of the classroom is considered cheating. You will receive a zero on the exam and will be reported for academic misconduct. You need to bring a photo ID or student card to all the quizzes and exams and sign on the attendance sheets.

During the exams and quizzes, you are expected to bring in a laptop/iPad to access the Carmen exam page, and you may use Excel to facilitate your answering. It is your own responsibility to make sure your laptop/iPad is **fully charged** that last for the entire exam. Quizzes and exams should be taken individually without any assistance. You are expected to refrain from communicating with each other, using any collaborative tools and/or using cell phones. You may be asked to change seats during exams.

Grading

Item	Weight
Participation	5
Excel Practice Submission	10
Quizzes	25
Midterm	30
Final Exam	30
Total	100

• Participation

Participation in class discussions and asking questions during lectures will be rewarded. Late arrivals and repeatedly missed lectures will be penalized. I have full discretion over the grading of participation.

- **Excel Practice Submission**

You will be given an excel practice assignment during the course. You are expected to work individually on it and turn it in before the beginning of the class time on the due date. Your grades will depend on your efforts not the final answer. You may receive partial credit if you tried but could not get the correct answer. Late submissions will be accepted, but only **within one week** and partial credit will be deducted reflecting the late submission.

- **Quizzes**

There are 6 quizzes over the course of the semester. The lowest score will be dropped, so each of the 5 graded quizzes with highest scores counts for 5% of the final grade. Quizzes will take place during the first 15 - 20 minutes of class on the dates in the course schedule. Students who arrive late to class may take the quiz but will not be given extra time. Because the quiz with the lowest score will be dropped, there will be **no make-up quizzes**. You need to make sure you bring in a laptop/iPad to access the Carmen exam page.

- **Midterm**

The midterm will take place in class on June 23rd in your normal classroom, during the normal class hour. It will consist of multiple choice problems testing material from the first half of the course.

- **Final Exam**

The final exam will take place at the designated time by the university. It will consist of multiple choice problems. It is cumulative and places more weight on the second half of the course, which builds on material from the first half.

Course Policies

- **Professionalism**

Professionalism includes arriving on time and prepared, asking thoughtful questions, answering questions, and contributing to a positive classroom environment.

- **Grade Change Policy**

Grade appeals must be **in writing within one week** after the graded work is made generally available. The entire document will be checked for grading errors, and correcting these could either **raise** or **lower** the overall score.

- **Academic Misconduct**

Students are expected to be familiar with and abide by The Ohio State University's code of student conduct, available at <https://trustees.osu.edu/rules/code-of-student-conduct/>. In accordance with OSU Faculty Rule 3333-5-487, all instances of academic misconduct will be reported to the Committee on Academic Misconduct, which recommends appropriate sanctions to the Office of Academic Affairs. There will be no exception to this rule.

- **Office of Disability Services (ODS)**

Any student who feels s/he may need an accommodation based on the impact of a disability should contact me privately to discuss his/her specific needs. Please contact the Office for Disability Services at 614-292-3307 in room 150 Pomerene Hall to coordinate reasonable accommodations for students with documented disabilities.

- **Time Expectations**

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

The Reading section refers to the chapters in the BDH textbook.

Lecture	Date	Material	Assignment and Quiz	Reading
1	10-May	Introduction, Time Value of Money I		Ch. 3
2	12-May	Time Value of Money II		Ch. 4
3	17-May	Interest Rate	Quiz 1 (on Lecture 1 & 2)	Ch. 5
4	19-May	Financial Decision Making and Net Present Value		Ch. 8
5	24-May	Capital Budgeting I Intro and Earnings	Quiz 2 (on Lecture 3 & 4)	Ch. 9.1-9.2
6	26-May	Capital Budgeting II Free Cash Flows		Ch. 9.3
7	31-May	Capital Budgeting III Complexities, NPV, Sensitivity Analysis		Ch. 9.4-9.5
8	2-Jun	Excel Practice	Quiz 3 (on Lecture 5 - 7)	
9	7-Jun	Bond Valuation	Excel Assignment Due	Ch. 6 & 15
10	9-Jun	Equity Valuation		Ch. 7 & 10
11	14-Jun	Debt and Equity	Quiz 4 (on Lecture 9 & 10)	
12	16-Jun	Risk and Return, CAPM		Ch. 12
13	21-Jun	Midterm Review		
14	23-Jun	Midterm		
15	28-Jun	Capital structure I (MM Theorem)		Ch. 16.2
16	30-Jun	Capital Structure II (WACC Without Taxes)		Ch. 13 & 16.2
17	5-Jul	Capital Structure III (WACC With Taxes)		Ch. 16.3
18	7-Jul	Deviations from MM I (Information Asymmetry, Pecking Order)	Quiz 5 (on Lecture 15 - 17)	Ch. 16.4-16.6
19	12-Jul	Deviations from MM II (Bankruptcy Cost, Tradeoff Theory)		Ch. 16.4-16.6
20	14-Jul	Deviations from MM III (Agency Cost)		Ch. 16.4-16.6
21	19-Jul	Payout Policy	Quiz 6 (on Lecture 18 - 20)	Ch. 17
22	21-Jul	Equity Financing		Ch. 14
23	26-Jul	M&A		Ch. 22
24	28-Jul	Final Review		