



DRAFT: December 4, 2019, May be revised and updated

BUSFIN 4211: Corporate Finance

Semester: Spring 2019
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Course Description

This course introduces students to key concepts in financial management, including capital budgeting, the valuation of projects and companies, methods for determining the cost of capital, capital structure and payout policies, securities issuance, and mergers and acquisitions. The course covers financial economics theory as well as empirical evidence on corporate financial policies and practices. It is intended for students aspiring to careers in corporate finance, strategy, general management and consulting.

Textbook chapters and cases, accompanied by discussion questions, will form the basis of class discussions. Also, additional material such as problems, notes, topical articles and examples may be handed out when appropriate. While the class is delivered in a lecture format, most of our class time will be spent applying the theory and concepts to problems through open, interactive classroom discussion.

Course Materials

Mandatory Textbook: *Fundamentals of Corporate Finance*, 4th Edition by Berk, DeMarzo and Harford. Our textbook is the primary source of readings. You are welcome to use earlier editions of the book or purchase individual chapters. If you use an earlier edition, make sure to check chapter titles and content so that you are reading the right content. The order of things can change from edition to edition.

Mandatory Case Package: A Harvard case packet must also be purchased at a cost of \$21.25. A link to purchase the package is provided on Carmen.

Other Course Materials: Additional materials will be posted directly to the course website. To help facilitate learning, practice problems and their solutions will be posted to Carmen. There will also be problems that are solved in class. Students are encouraged to work these problems as part of their study and preparation. Problems on the quizzes and exams will resemble lecture and practice problems.

Course-specific Copyright Policy: Materials provided by the instructor are course confidential and the property of the instructor and/or the University. ***These materials may not be copied, distributed or re-posted anywhere without the explicit permission of the instructor.*** (See University Copyright Policy.)

IMPORTANT: Please check course website prior to preparing for each class to be certain you have all the relevant materials and the details of the assignment for each session.



Student Evaluation

The final course grade will be computed according to the following:

In-Class Quizzes (about 8) = N	25%
Required Case Questions (about 4 to 5 cases) = O	25%
Class Attendance, Preparation and Participation = N	5%
In-class Midterm Examination = N	20%
Final Examination as Scheduled by the University = N	25%
Total	100%
N means Independent Work: Strictly non-collaborative, original individual work. Discussions with instructor only.	
O means Optional-Collaboration: Original individual work/submissions; Students are permitted to discuss among themselves.	

Standards of Integrity and Conduct

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* and this syllabus may constitute "academic 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, submitting the same or similar work for credit in more than one class, 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.

University Policies,
Services and Resources
(go.osu.edu/UPolicies)



Fisher Undergraduate
Handbook and
QuickLinks
(www.bsbalinks.com)



Fisher Navigator
Resource Portal
(www.nav-1.com)





Graded Element Descriptions

In-Class Quizzes: There are approximately 8 quizzes over the course of the semester. Quizzes will take place during the first 20 minutes of class as scheduled. Students who arrive late to class may take a quiz but will not be given extra time. You may drop one quiz score during the semester. **There are absolutely no make-up quizzes.** Missed quizzes will be recorded as a “0”.

Required Case Questions: For case discussions, you will be given preparation questions to help guide your analysis. At a minimum, you should address these questions prior to class, but I encourage you to think about relevant issues beyond the questions in the guidelines. This component of the grade reflects your preparation of the case materials and your presentations, where relevant. Prior to each case discussion, you will turn in a brief document containing your answers to the required case questions.

Class Attendance, Preparation and Participation: Attendance, participation in class discussions is important and will constitute part of your grade. Late arrivals, missed lectures, and the unauthorized use of phones and laptops in class will be penalized. The instructor has full discretion over this element of each student’s grade. Any student who fails to attend without giving prior notification to the instructor will be dis-enrolled after the third instructional day of the term, the first Friday of the term, or the second scheduled class meeting of the course, whichever occurs first, per OSU attendance policy.

In-Class Midterm Examination: There will be one midterm test which will take place in class as indicated on the course schedule.

Final Examination: The final exam will take place at the University designated time and location for your section. The final exam is cumulative, covering all of the course material.

Missed Examinations

Missed exams can only be made-up in extreme cases (e.g., death of family member, personal hospitalization, etc.) with proper documentation (e.g., a physician’s note, ER paperwork, obituary, etc.). Each decision of potentially allowing a make-up exam is made by the instructor on a case-by-case basis. Additionally, you **MUST** contact the instructor (insert instructor’s email) as soon as you know of a potential problem or conflict with an exam date. Alternative methods (e.g., oral exam, essay) of testing may be used for make-up exams. If you are experiencing an extreme situation or emergency, please attempt to notify the instructor (wruck.l@osu.edu) by email ASAP.

Course Grading Principles

The following are the fundamental principles for grading in this course:

- The requirements of the course are identical for everyone. This means it is not possible to make up for poor performance through extra credit work. There may be extra credit assignments, but if so, they will be available to all students equally.
- Assignments and related deadlines cannot be rescheduled except under circumstances of extreme hardship as defined by University and departmental policy.
- It is possible to earn any of the official OSU grades, from A to E, in this course. The grading scale in this course follows the standard OSU grading scale. However, I reserve the right to curve scores (upward), so the standard OSU scale represents the most stringent that would be adopted in this class.
- Sometimes alleged cases of academic misconduct arise due to apparent confusion over the degree of collaboration allowed on assignments. University policy clearly states that it is each student’s responsibility to resolve issues that appear ambiguous directly with the faculty member.



Grade Appeal Policy

Grades are intended to reflect the overall quality of performance of the student(s). If you think your grade on an exam or assignment does not reflect the quality of your performance, submit a clear written explanation of your reasoning **within one week after the return of your assignment or test**. The written document need not be long but must clearly identify the problem or issue of concern. All appeals will be carefully considered. **There will be no grading appeals or changes in marks after the one-week deadline has passed.**

Time Expectations

The University and College expectation is that students spend at least two hours outside of class for every hour spent in class. While this amount of time should be sufficient to pass the course, it is unlikely to be sufficient to attain an excellence grade or strong mastery of the course materials. Should you aspire to excellence, you will need to invest more time on course-related work.

Disability Accommodation

The University strives to make all learning experiences as accessible as possible. If you anticipate or experience academic barriers based on your disability (including mental health, chronic or temporary medical conditions), please let the professor know immediately so that options can be privately discussed between you and the professor. To establish reasonable accommodations, you may be requested to register with Student Life Disability Services. After registration, meet with the professor to discuss your accommodations so that they may be implemented in a timely fashion (from <https://slds.osu.edu/faculty-staff/syllabus-statement/>). **SLDS contact information:** slds@osu.edu; 614-292-3307; slds.osu.edu; 098 Baker Hall, 113 W. 12th Avenue.

Mental Health Services

Students may experience a range of issues that can create 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 the ability to participate in daily activities. The Ohio State University offers services to assist you with addressing these and other concerns you may be experiencing. If a student is suffering from any of the aforementioned conditions, there is a broad range of confidential mental health services available on campus via the Office of Student Life Counseling and Consultation Services (CCS) by visiting ccs.osu.edu or calling 614-292-5766. CCS is located on the 4th Floor of the Younkin Success Center and 1030 Lincoln Tower, Cannon Drive. 24-hour emergency help is also available through the National 24/7 Prevention Hotline at 1-800-273-TALK or at suicidepreventionlifeline.org

**BUSEFIN 4211: Corporate Finance, SP2020**

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Date	Topic	Preparation	Graded Work
Class 1:	Review of Core Finance Basics	Read BDH Chapters 3,4, 7	
Class 2:	Rules for Valuing Projects	Read BDH Chapter 8	In-Class Quiz on Review of Core Finance Basics
Class 3:	Rules for Valuing Projects II	Review BDH Chapter 8	
Class 4:	Capital Budgeting	Read BDH Chapter 9.1, 9.2, 9.3	
Class 5:	Capital Budgeting II	Read BDH Chapter 9.5	In-Class Quiz on Valuing Projects
Class 6:	Upland Restaurant Case	Case Preparation	Required Case Questions
Class 7:	Valuation: Discounted Cash Flow and Method of Comparables	Read BDH Chapter 10.1, 10.2	
Class 8:	Risk and Return and the CAPM	Read BDH Chapter 11, 12	
Class 9:	Debt and Equity: Definitions and Types of Instruments	Read BDH Chapter 15	In-Class Quiz on Capital Budgeting
Class 10:	Capital Structure I: MM, Capital Markets and the Leverage Myth	Read BDH Chapter 16.1, 16.2	
Class 11:	VHSS Case Analysis	Case preparation	Required Case Questions
Class 12:	Capital Structure II: The Cost of Capital	Read BDH Chapter 13	In-Class Quiz on Valuation
Class 13:	Application or Guest Speaker (at Instructor's Option)	To be announced	In-Class Quiz on Cost of Capital
Class 14:	Marriott Cost of Capital Case Analysis	Case Preparation	Required Case Questions
Class 15:	Review for In-Class Midterm Exam	Review and practice problems	
Class 16:	In-Class Midterm Exam		In-Class Midterm Exam
Class 17:	Debt and Taxes	Read BDH Chapter 16.3	
Class 18:	Optimal Capital Structure I	Read BDH Chapter 16.4, 16.5, 16.6	
Spring Break			
Class 19:	Optimal Capital Structure II	Review BDH Chapter 16.4, 16.5, 16.6	
Class 20:	Payout Policy I	Read BDH Chapter 17.1, 17.2, 17.3	In-Class Quiz on Optimal Capital Structure
Class 21:	Payout Policy II	Read BDH Chapter 17.4, 17.5, 17.6	
Class 22:	Equity Financing I: Private Equity and Venture Capital	Read BDH Chapter 14.1	In-Class Quiz on Payout Policy
Class 23:	Lady M Case Analysis	Case Preparation	Required Case Questions
Class 24:	Equity Financing II: Initial Public Offerings	Read BDH Chapter 14.2, 14.3, 14.4	
Class 25:	Facebook IPO Case	Case Preparation	Required Case Questions
Class 26:	Mergers and Acquisitions or Free Topic (at Instructor's Option)	To be announced	In-Class Quiz on Equity Financing
Class 27:	Case or Guest Speaker (at Instructor's Option)	To be announced	To be announced
Class 28:	Review for Final Exam	Review and practice problems	
Final Exam	Common Final Exam Time and Location		