

Fall 2019

FIN 315-003: Fundamentals of Corporate Finance

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Recommended Citation

Tao, Xinyuan Stacie, "FIN 315-003: Fundamentals of Corporate Finance" (2019). *School of Management Syllabi*. 34.
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NEW JERSEY INSTITUTE OF TECHNOLOGY
SCHOOL OF MANAGEMENT

FIN 315 – Fundamentals of Corporate Finance

Section 003

SYLLABUS

Fall 2019

Instructor: Dr. Xinyuan (Stacie) Tao

Office: SOM 4028

Classroom: Kupfrian 202

Email: xtao@njit.edu

Class Hours: TuTh 10:00 – 11:20

Phone: 973-596-6420

Class Dates: Sep 3 – Dec 22

Office Hour: TuTh 11:30 – 13:00 or by appointment

Course Description

FIN 315 is the traditional first course in corporate finance, focusing on how companies invest in real assets and how they raise the money to pay for those investments. Topics covered include the firm and the financial manager, time value of money, bonds, stocks, net present value, risk, and return, capital structure, dividends, and international finance. We will consider these topics from the point of view of the corporate financial manager, but also from the point of view of the investor, where appropriate

Textbook

Ross, Westerfield, and Jordan, *Essentials of Corporate Finance*, 9th Ed., McGraw-Hill Irwin. Recommended.

Textbook Web site:

http://highered.mheducation.com/sites/1259277216/student_view0/index.html

Grading Policy

Final grades will be based on the weights as follows:

Task	Points
Test 1	20
Test 2	20
Final Exam	20
Homework	10
Four Quizzes	20
In class Participation	10
Total	100

The scale used for grading is as follows:

Grade	Scores
A	scores ≥ 90
B+	$85 \leq \text{scores} < 90$
B	$80 \leq \text{scores} < 85$
C+	$75 \leq \text{scores} < 80$
C	$70 \leq \text{scores} < 75$
D	$60 \leq \text{scores} < 70$
F	scores < 60

Exams and Quizzes

There will be three exams in total. Test 1 and 2 each accounts for 20% of your final grade and the final exam accounts for 20%. The final exam is **CUMULATIVE**. Two highest scores out of three will be accounted into the final grade, i.e., the lowest one is automatically dropped.

For each exam, you can bring **one-page double sided** cheat sheet (8.5" x 11") and a simple or financial calculator. Cell phone, laptops, iPads, any other unauthorized electronic devices, textbooks, and class notes are **not** allowed during exams.

Exams most likely will be a mixture of multiple-choice questions, quantitative problems, and open-ended questions. One extra-credit question might be asked. If you get it right, your grade will be curved up but never curved down.

Make-up exams are allowed **only** for serious illness or emergency. For an illness, you should let me know in advance with a doctor's note. For emergency, you will need to

present relevant documentation, which **must be approved** by the Dean of Students and Campus Life.

There will be four in-class quizzes as well. Unlike the formal exam, quizzes **only** include quantitative problems. Extra-credit questions might be asked. Three highest scores out of four will be accounted into the final grade, i.e., the lowest one is automatically dropped.

Homework

The grade of your homework will be based on **both** accuracy and effort. Failure to do homework regularly will lower your course grade. Late homework will **not** be accepted.

Homework is an integral part of the course, which offers a good opportunity to review what you have learned in the class. You may discuss jointly with your peers on homework assignments. However, I strongly recommend that you try to solve the questions independently. This will help you to better understand the theories and analytical tools that will be covered on the exams.

Homework questions and solutions will be posted and done via the **NJIT Canvas**.

Attendance

Attendance, classroom conduct, and in-class participation are credited. You are expected to arrive at class on time and stay until the end. You may miss ONE class without any excuse (except for the classes for exams and quizzes).

All electronic devices (cell phones) should be turned off or on silence. Laptops are allowed for enhancing learning experience. If your actions disturb your fellow student, I reserve the right to ask you to stop using your devices.

Canvas

There is a Canvas site (canvas.njit.edu) for this course on which documents will be posted as needed. All announcements, assignments, changes, etc. are posted there. The student is responsible for remaining up to date at all times. Important announcement will be e-mailed to the class through Canvas. There is no excuse for not receiving information sent to the class via email. If you have any questions or difficulty with Canvas, here are the links for help:

Canvas Student Guidance: <https://community.canvaslms.com/docs/DOC-10701-canvas-student-guide-table-of-contents>

Where can I go for help (bottom of the webpage): <https://canvas.njit.edu/getting-started-canvas>

Academic Integrity

Academic misconduct will NOT be tolerated. Academic misconduct includes but is not limited to cheating on assignments or examinations, plagiarizing, and sabotaging another's work. Please refer more information to the undergraduate student handbook and academic integrity: <http://www.njit.edu/academics/integrity.php>

Accommodations for Students with Disabilities

Students with special needs as outlined under the Americans with Disabilities Act should first register with the Counseling Center, 205 Campbell Hall 973 596-3414. Go to the web site <http://www.njit.edu/counseling/services/disabilities.php> for more information. If you wish to have a reasonable accommodation made for you in this class, please discuss the matter with me at the earliest possible time.

Tentative Calendar:

Please note that this is a tentative schedule. I reserve the right to adjust if necessary and new version will be announced and posted on Moodle. You are responsible for knowing what is in the latest version.

Dates	Day	Schedule	Textbook chapter	Additional info
9/3/2019	Tuesday	Syllabus		
9/5/2019	Thursday	Intro	1	
9/10/2019	Tuesday	Financial statements	2	
9/12/2019	Thursday	Financial statements	3	9/13/2019 Fri: last day to drop a class
9/17/2019	Tuesday		3	
9/19/2019	Thursday	Valuation	4	
9/24/2019	Tuesday		4	
9/26/2019	Thursday	Discounted Cash Flow	5	
10/1/2019	Tuesday		5	
10/3/2019	Thursday	Review	Review	
10/8/2019	Tuesday	Test 1	1 - 5	
10/10/2019	Thursday	Bond	6	
10/15/2019	Tuesday	Equity	7	
10/17/2019	Thursday	NPV	8	
10/22/2019	Tuesday		8	
10/24/2019	Thursday			No class
10/29/2019	Tuesday	Risk & return	11	
10/31/2019	Thursday		11	
11/5/2019	Tuesday	Cost of capital	12	
11/7/2019	Thursday		12	
11/12/2019	Tuesday	Capital structure	13	
11/14/2019	Thursday		13	
11/19/2019	Tuesday	Dividends	14	
11/21/2019	Thursday		14	
11/26/2019	Tuesday	Short-term financial planning	16	
11/28/2019	Thursday			No class, Thanksgiving
12/3/2019	Tuesday	Review	Review	
12/5/2019	Thursday	Test 2	6 - 8, 11 - 14, 16	
12/10/2019	Tuesday	Summary	Summary	
12/14/2019 - 12/20/2019	TBD	Final exam	Cumulative	