

Fall 2023

FIN 315-001, 101, HM1: Fund of Corporate Finance

Wayne Fox

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**NEW JERSEY INSTITUTE OF TECHNOLOGY MARTIN
TUCHMAN SCHOOL OF MANAGEMENT
Fundamentals of Corporate Finance – Course Numbers 93683, 93684, 93867
FIN 315 001:101:HM1– Fall 2023**

Instructor: Wayne G. Fox, Esq. JD/MBA, FRSA
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When emailing, please put “FIN 315+SECTION #” in the subject line.
Duration: 5 September 2023 – 22 December 2023

Office Hours: 11:30 am-12:30 pm & 4:30-5:30 pm Monday and Wednesday in CAB 4027

Class: Monday and Wednesday 1:00 pm to 2:20 pm in Central Ave Building 3052 (Sec 101 & HM1)
Monday 6:00 pm to 8:50 pm in Cullimore Lecture Hall 1 (Sec 001)

Final Exam: Week of 18 December 2023 to be scheduled.

Course Description: 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, and also from the point of view of the investor, where appropriate.

Prerequisites: None

Textbook: Ross, Westerfield, and Jordan, **Fundamentals of Corporate Finance**, 13th ed, Mc Graw Hill – Irwin., 12th Ed., McGraw-Hill Irwin (the NJIT Bookstore may have bundled books with and without Connect). You may use previous editions of the textbook or **Essentials of Corporate Finance** (11th, 10th, 9th or 8th edition at the bookstore or used). Connect is recommended and not required .

Required Materials: Textbook, calculator, computer, and financial news awareness. You don't need to buy any books until after the first class.

There is a McGraw Hill Connect site for an online textbook and practice study aids

Fundamentals of Corporate Finance - NJIT – FIN 315 Fall 2023 Master Course

How to register: It's easy! Go to your section web address and click register now.

<https://connect.mheducation.com/class/w-fox-fin-315-fall-23-master-class>

You can buy access there, either with or without an electronic version of the book. You can get the book online, there is also a loose leaf copy available for order at the site. If you have a code, you can enter it there.

Study Resources: At the textbook web site listed above, you can choose a chapter and you will find a multiple choice quiz on topics from that chapter that you can take and then see the correct answers. At the Connect Finance homework web site listed above, you will find in the “my course resources” on the right side, a link to LearnSmart, which also provides you with a way to test yourself on a chapter in an interactive process that will give you more questions on topics with which you are having trouble.

Computer and Calculator: It is required that you have a computer and a financial calculator. I prefer the HP12c calculator, and the textbook gives examples using the TI BA II+. Other recommended models include the HP 10B, and any calculator that can compute financial values such as IRR, YTM, and NPV will work. Some general-purpose scientific calculators such as the TI-83 series have financial modes, although they operate somewhat differently from the dedicated financial calculators. We will also use Excel for some calculations. You can also find financial calculator apps for use on an iPhone or iPad or other phones or tablet computers.

Financial Publications: We may spend some time in class discussing relevant current financial news. You should regularly read at least one of the following publications (go to the library where it's free) for financial news: Wall Street Journal, New York Times business section, Financial Times, Business Week, Fortune, or the Economist, and be prepared to post about important events in the financial world. All reading can be done electronically, and you can share interesting articles with the class on the Canvas News Forum. At the textbook web site listed above, under "New to This Edition" you will find a link to the authors' blog, in which they discuss current news items of interest and reference them to the relevant chapters of the book. Here is the link to register for the NY Times. <https://researchguides.njit.edu/nytimes>
For DIY help, consult the Business Research Guide. <https://researchguides.njit.edu/business>

Canvas: There is a Learning Management System (LMS) site (at <https://canvas.njit.edu/>) for this course **FIN 315 Master Class Fall 2023** on which documents will be posted as needed. Login to Canvas using your UCID and password. All announcements, assignments, changes, etc. are posted there. The student is responsible for remaining up to date at all times. I will send e-mails to the class through Canvas announcements.

Learning Goals and Outcomes:

1. Analytical and Problem Solving Skills
 - a. Students will display an ability to apply knowledge of financial concepts to solve business problems through homework quizzes and exams.
 - b. Students will demonstrate use of quantitative methodologies, such as Time Value of Money, Net Present Value, the Capital Asset Pricing Model, and the Modigliani and Miller Propositions, as tools to help solve business problems.
2. Communication and Information Literacy Skills
 - a. Students will be able to explain basic concepts of financial theory in writing presentation slides and recording group presentations on-line conference software (Zoom, Teams, WebEx, etc.)
 - b. Students will discover important sources that can be used to obtain relevant data for solving financial problems and how to collect data from them.
 - c. Students will participate in written class discussion questions through Canvas,
3. Ethical Reasoning
 - a. Students will identify and discuss ethical dilemmas that may occur in a financial management context through case studies and determine acceptable responses to these situations.
 - b. Students will examine and discuss why interpersonal trust is more important than simply relying on written regulations and laws.
4. Global Context of Business
 - a. Students will critique international business practices and relationships in making corporate decisions through cases.
5. Introduction to Dynamic Modeling using Excel
 - a. Students will build integrated financial models using Excel spreadsheets for what-if analysis, goal seeking, common size, cost of capital and ratio analysis.
 - b. Students will construct models based on Master-it spreadsheet exercises.
 - c. Students will complete the Bloomberg Markets Course in the lab and use data in (a.)
 - d. Students will demonstrate simple valuation techniques, DCF & comparable multiples.

Homework and Preparation: Readings from the textbook (and possibly other sources) will be assigned for each class. You should read these each week and be prepared to respond to questions about the readings. There will also be questions or problems from the textbook to answer in Canvas based quizzes for each chapter. Homework will be online and you are encouraged to upload assignments to Canvas for point credit. We will go over problems in the class as needed. If you don't understand how to do a problem, you can ask about it by email in class or during office hours. Questions and articles may be posted on Canvas for class discussion.

Exams: There will be three exams, two midterms and a final. Tests given in class are closed book, but you will be allowed to use a formula sheet. There will also be frequent shorter quizzes and homework, which will be given in class or online using Canvas.

Grading Policy: Final exam 220 points midterm exams 110 points each; 18 quizzes worth 10 points each (180 points), additional assignments and participation 10-50+ points each (There are 1,000 points possible) Actual points may add to more or less than 1000 total, in which case all grades will be scaled such that the student with the highest number of points will set the 1000 point limit and all student grades adjusted ratably. All assignments are required. Late assignments will lose points, uncompleted assignments earn no points and can severely impact your grade. Canvas grades are only an approximation of your work and are not all inclusive. The instructor reserves the right to modify the weighting of the grades as to be of greatest benefit of the class as a whole. A+=900 Superior, B+=850-899 Excellent, B=800-849 Very Good, C+=750-799 Good, C=700-750 Acceptable, D=650-699 Minimum, F=below 600, unacceptable.

Academic Integrity: Students are expected to observe the NJIT Academic Integrity Code. Cheating and plagiarism will not be tolerated and may result in failing the course.

“Academic Integrity is the cornerstone of higher education and is central to the ideals of this course and the university. Cheating is strictly prohibited and devalues the degree that you are working on. As a member of the NJIT community, it is your responsibility to protect your educational investment by knowing and following the academic code of integrity policy that is found at: <http://www5.njit.edu/policies/sites/policies/files/academic-integrity-code.pdf>.

Please note that it is my professional obligation and responsibility to report any academic misconduct to the Dean of Students Office. ***Any student found in violation of the code by cheating, plagiarizing or using any online software inappropriately will result in disciplinary action. This may include a failing grade of F, and/or suspension or dismissal from the university.*** If you have any questions about the code of Academic Integrity, please contact the Dean of Students Office at dos@njit.edu”

Disability: Students with special needs as outlined under the Americans with Disabilities Act should first register with the Counseling Center. If you need an accommodation due to a disability please contact Scott Janz, Associate Director of the Office of Accessibility Resources and Services, Kupfrian Hall 201 to discuss your specific needs. A Letter of Accommodation Eligibility from the office authorizing student accommodations is required.

Etiquette: Students are expected to follow NJIT's Code of Student Conduct. Students should be polite, active participants and respect their instructor, classmates, as well as ideas or opinions that differ from their own. Students may not use cell phones or engage in on-line activities unrelated to class during class meetings.

Changes to this Syllabus: This syllabus may change. New versions will be announced and posted on Canvas. You are responsible for knowing what is in the latest version.

Chapter Topics will be covered approximately one to two chapters per week, in sequence.

Part One --- Overview of Financial Management

Chapter 1 Introduction to Financial Management

Part Two --- Understanding Financial Statements and Cash Flow Chapter

2 Financial Statements, Taxes, and Cash Flow Chapter 3

Working with Financial Statements

Part Three --- Valuation of Future Cash Flows

Chapter 4 Introduction to Valuation: The Time Value of Money

Chapter 5 Discounted Cash Flow Valuation

Part Four --- Valuing Stocks and Bonds

Chapter 6 Interest Rates and Bond Valuation Chapter 7

Equity Markets and Stock Valuation

Part Five --- Capital Budgeting

Chapter 8 Net Present Value and Other Investment Criteria

Chapter 9 Making Capital Investment Decisions

Part Six --- Risk and Return

Chapter 10 Some Lessons from Capital Market History

Chapter 11 Risk and Return

Part Seven --- Long---Term Financing

Chapter 12 Cost of Capital

Chapter 13 Leverage and Capital Structure

Chapter 14 Dividends and Dividend Policy

Chapter 15 Raising Capital

Part Eight --- Short---Term Financial Management

Chapter 16 Short---Term Financial Planning

Chapter 17 Working Capital Management

Part Nine --- Topics in Business Finance

Chapter 18 International Aspects of Financial Management

A. Mathematical Tables

B. Key Equations

C. Answers to Selected End---of---Chapter Problems

D. Using the HP---10B and TI BA II Plus Financial Calculators