

Fall 2023

## **FIN 600-103: Corporate Finance I**

George Eliopoulos

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**Corporate Finance**  
**FIN 600**  
**Fall 2023**

**Instructor:** George Eliopoulos, MBA (Yale University)

**Email:** George.Eliopoulos.2@NJIT.edu

**Class Time & Location:** Wednesdays 6:00 pm – 8:50 pm, KUPF 104

**Office Hours:** Wednesdays 3 pm – 6 pm. By appointment.

### Course Overview

This course focuses on the theory and practice of corporate finance. The students will work on concepts, valuation tools, risk assessment methods and budgeting techniques used by corporations in making financial and investment decisions.

Fin 600 is the traditional first course in corporation finance common to master programs, focusing on how firm managers make their financing and investing decisions to run their business. Topics include the financial statement analysis, time value of money, bond and equity valuation, risk and return, capital budgeting, capital structure, dividends, and so forth. We will consider these topics mainly from the point of view as a manager (insider), and sometimes from the point of view as an investor (outsider) when appropriate.

### Required Course Materials

#### Textbook

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1. Textbook: Ross, Westerfield, Jaffe and Jordan, Corporate Finance, 13th Ed., McGraw-Hill Irwin. ISBN: 9781260772388  
eBook ISBN: 9781264206902
2. Microsoft Excel will be used in class and for homework problems as well as for the exams questions. Financial Calculators can be used (such as HP 10bII or TI BA II+ or HP 12c).
3. Business News: You are encouraged to read economic and financial publications such as The Wall Street Journal, Financial Times, the Economist and others.

### Learning Outcomes

Upon successful completion of this course, the student should be able to:

- Describe fundamental business concepts;
- Identify main function and importance of financial markets and institutions;
- Develop critical thinking of complex financial situation; and
- Present the news analysis related to a real business world

### Course Website

The Canvas site is where most course materials are posted. Make sure you have an NJIT UCID and password so that you are able to access Canvas. I will use Canvas to post announcements and

supplemental materials throughout the semester. **So, please be sure to check the site (canvas.njit.edu) frequently. Please contact helpdesk (973-596-2900) for problems associated with Canvas.**

### **Course Deliverables/ Final Grade Components**

Your grade for this course will be based on the following components:

<u>Component</u>	<u>% of Grade</u>
Homework/Presentations	10%
Exam 1	15%
Exam 2	20%
Exam 3	20%
Exam 4	25%
Class participation	10%
<b>Total:</b>	<b>100%</b>

The scale used for grading is as follows:

<b>A</b>	90% - 100%
<b>B+</b>	85% - 89%
<b>B</b>	80% - 84%
<b>C+</b>	75% - 79%
<b>C</b>	70% - 74%
<b>F</b>	Below 70%

### **Homework Weekly Assignments**

You need to complete the weekly homework assignments and submit them as instructed.

### **Exams**

All students need to take the Exams in class as instructed.

### **Late Assignments**

Late assignments will not be accepted for grading unless there is a severe illness or an emergency situation. In these cases, legitimate documentation of the emergency must be presented and approved by the office of the Dean of Students before extensions will be granted.

### **Class Participation**

Participation in class discussions is required of all students. Actively participating in class discussions contributes to learning and is a good way to help build a sense of community and collaboration.

### **Email Etiquette**

This is a business course, and the expectation is that you will conform to appropriate business letter writing practice in all of your email to me. The following are the basics.

- Put the course name (e.g. course name or course number) in the subject line
- Identify the subject of the e-mail with a brief but descriptive summary of the topic: include a proper salutation and the assignment details such as the title, homework, or test.
- Proofread your e-mail for proper sentence structure, capitalization, spelling and punctuation.
- Conclude the e-mail message with a proper closing (e.g. Regards, Sincerely) and your full name.

### **Academic Integrity**

Learning is both an individual and a cooperative experience. Asking for and giving help freely in appropriate settings helps you learn. However, you need to complete the 4 exams in class on your own and without any help beyond what the instructor will provide. University rules and standards define and prohibit “academic misconduct” by all members of the academic community including students. You are asked and expected to be familiar with these standards and abide by them.

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](mailto:dos@njit.edu).

### **Accommodations**

Educational access is the provision of classroom accommodations, auxiliary aids and services to ensure equal educational opportunities for all students regardless of their disability. Students can request accommodations at any time throughout the semester. Accommodations are active from the date that professors/instructors receive the Letter of Accommodations from OARS via email. If you are in need of accommodations due to a disability please contact Marsha Williams-Nicholas, Associate Director of the Office of Accessibility Resources & Services (OARS), Kupfrian Hall 201, to discuss your specific needs: [oars@njit.edu](mailto:oars@njit.edu), [Marsha.williamsnicholas@njit.edu](mailto:Marsha.williamsnicholas@njit.edu), telephone: (973) 596-2994.

## Final Comments

I may change aspects of this syllabus or the course schedule at any time when the need arises. Students registered for this course assume full responsibility for reading and understanding the course policies as stated above.

The topics are tentative. Updates will be provided.

#	Week of:	Course Topics	
1	Sep 6	Syllabus, and Chapter 1: <i>Introduction to Corporate Finance</i> , Chapter 2: <i>Financial Statements and Cash Flow</i> & Chapter 3: <i>Financial Statements Analysis and Financial Models</i>	
2	Sep 13	Chapters 4: <i>Discounted Cash Flow Valuation</i> , Chapter 5: <i>Net Present Value and Other Investment Rules</i> , & Chapter 6: <i>Making Capital Investment Decisions</i>	Weekly Assignment
3	Sep 20	Chapter 7: <i>Risk Analysis, Real Options, and Capital Budgeting</i> & Chapter 8: <i>Interest Rates and Bond Valuation</i>	Weekly Assignment
4	Sep 27	EXAM 1 & Chapter 9: <i>Stock Valuation</i>	Weekly Assignment
5	Oct 4	Chapter 10: <i>Lessons from Market History</i> & Chapter 11: <i>Return, Risk, and the Capital Asset Pricing Model</i>	Weekly Assignment
6	Oct 11	Chapter 12: <i>An Alternative View of Risk and Return</i> & Chapter 13: <i>Risk, Cost of Capital, and Valuation</i>	Weekly Assignment
7	Oct 18	EXAM 2 & Chapter 14: <i>Efficient Capital Markets and Behavioral Challenges</i> & Chapter 15: <i>Long-Term Financing</i>	Weekly Assignment
8	Oct 25	Chapter 16: <i>Capital Structure: Basic Concepts</i> , Chapter 17: <i>Capital Structure: Limits to the Use of Debt</i> & Chapter 18: <i>Valuation and Capital Budgeting for the Levered Firm</i>	Weekly Assignment
9	Nov 1	Chapter 19: <i>Dividends and Other Payouts</i> Chapter 20: <i>Raising Capital</i> & Chapter 21: <i>Leasing</i>	Weekly Assignment
10	Nov 8	Chapter 22: <i>Options and Corporate Finance</i> & Chapter 23: <i>Options and Corporate Finance: Extensions and Applications</i>	Weekly Assignment
11	Nov 15	Chapter 24: <i>Warrants and Convertibles</i> & Chapter 25: <i>Derivatives and Hedging Risk</i>	Weekly Assignment
12	Nov 22	EXAM 3 Chapter 26: <i>Short-Term Finance and Planning</i>	Weekly Assignment

<b>13</b>	Nov 29	Chapter 27: <i>Cash Management</i> & Chapter 28: <i>Credit and Inventory Management</i>	Weekly Assignment
<b>14</b>	Dec 6	Chapter 29: <i>Mergers, Acquisitions, and Divestitures</i> & Chapter 30: <i>Financial Distress</i>	Weekly Assignment
<b>15</b>	Dec 13	Chapter 31: <i>International Corporate Finance</i> & EXAM 4	Weekly Assignment