Standard Course Outline

I. General Information

Course Title: Seminar in Business Finance
Course Number: FIN 600
Prerequisite: Graduate business standing
SCO Prepared by: Dr. Chanwit Phengpis and Dr. Yulong Ma (April 2015)
SCO Revised by: Dr. Cindy Chen (April 2016)

II. Catalog Description

An in-depth analysis of financial theories and analytical techniques with an emphasis on case study and computer application. It covers topics from fundamental issues like securities valuation, capital budgeting, cost of capital, and dividend policy to more advanced issues like capital structure, mergers and acquisition, IPOs, and hybrid securities. Letter grade only (A-F).

III. Recommended Textbook


IV. Curriculum Justifications

The course is aligned with the CBA learning goals of critical thinking; interpersonal, leadership and team skills; business functions; and quantitative and technical skills.

V. Course Objectives

Through case analyses and integration of finance theories and computer applications, the following learning goals can be achieved.

- **Critical Thinking Learning Goal:**
  Students will be able to analyze and apply finance theories related to risk-return tradeoff, capital budgeting, securities valuations, mergers and acquisitions, capital structure, dividend policy, and initial public offering in corporate finance decisions.

- **Ethics:**
  Students should be able to describe the agency problem and agency costs, identify the two main types of agency relationships in a corporation, and discuss different measures to minimize the agency problems.
- **Interpersonal, Leadership and Team skills:**
  Students will be able to develop these skills as result of group homework assignments, case assignments and/or research projects.

- **Business Function Learning Goal:**
  Students will be able to practically use and apply finance theories in the decision making process of corporations.

- **Quantitative and Technical Skills Learning Goal:**
  Students will be able to perform quantitative analyses related to risk-return tradeoff, capital budgeting, securities valuations, mergers and acquisitions, capital structure, dividend policy, and initial public offering.

**VI. Outline of Subject Matter**

Topics to be covered in this class typically include:

<table>
<thead>
<tr>
<th>Week</th>
<th>Topics</th>
<th>Possible CFA Readings and Assignments</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Corporate Governance: Objectives and Guiding Principles, Forms of Business and Conflicts of Interest, Agency Relationships, Corporate Governance Evaluations</td>
<td>Reading 27</td>
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<tr>
<td>2</td>
<td>Capital Budgeting: Basic Principles of Capital Budgeting, Investment Decision Criteria</td>
<td>Reading 23</td>
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<tr>
<td>3</td>
<td>Capital Budgeting: Cash flow Projections, Project Analysis and Evaluation</td>
<td>Reading 23</td>
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<td>4</td>
<td>Capital Budgeting Cases</td>
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<td>5</td>
<td>Cost of Capital: Costs of the Different Sources of Capital, Weighted Average Cost of Capital</td>
<td>Reading 36</td>
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<td>7</td>
<td>Capital Structure Cases</td>
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<td>8</td>
<td>Measures of Leverage: Introduction of Leverage, Business and Financial Risk</td>
<td>Reading 37</td>
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<tr>
<td>9</td>
<td>Dividends: Forms of Dividends, Dividend Payment Chronology</td>
<td>Reading 25</td>
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VII. Methods of Instruction

Method of instruction generally includes a combination of lecture, class discussions, homework assignments, case studies, and student presentations.

VIII. Instructional Policy Requirements

Instructors may specify their own policies with regard to grading, class-room behavior, make-up exam, withdrawal, academic integrity, absences, etc., as long as these policies are consistent with the University policies.

The students are expected to comply with the universally accepted norms of considerate and courteous behavior, and with all University rules and policies found in the current University Catalog. It will be assumed that the students will adhere to the tenets of academic integrity as articulated in Dean’s Letter on Academic Integrity throughout this course.

Students with Disabilities: Students with disabilities are responsible for notifying their instructor as early as possible of their needs for an accommodation of a verified disability. A student with a disability is urged to consult with Disabled Student Services as soon as possible in order to identify possible accommodations to enhance academic success.