New Course Request

Indiana University

IPFW Campus

Check Approximate Boxes: Undergraduate credit ☑️ Graduate credit ☐ Professional credit ☐

1. School/Division Doerner School of Business 2. Academic Subject Code BUS

3. Course Number F305 (must be cleared with University Enrollment Services) 4. Instructor Various

5. Course Title Intermediate Corporate Finance

Recommended Abbreviation (Optional) (Limited to 32 Characters including spaces)

6. First time this course is to be offered (Semester/Year) Spring 2011

7. Credit Hours: Fixed at or Variable from to 

8. Is this course to be graded S-F (only)? Yes ☑️ No ☐

9. Is variable title approval being requested? Yes ☑️ No ☐

10. Course description (not to exceed 50 words) for Bulletin publication: Part of the finance core. Rigorous treatment of the core concepts of corporate finance for finance majors. Covers capital budgeting, the valuation of firms, and capital structure and payout policies. Makes extensive use of spreadsheet modeling to implement financial models. Serves as a foundation for all 400-level finance electives.

11. Lecture Contact Hours: Fixed at or Variable from to 

12. Non-Lecture Contact Hours: Fixed at or Variable from to 

13. Estimated enrollment: 150 of which 0 percent are expected to be graduate students.

14. Frequency of scheduling: Every Semester Will this course be required for majors? Yes

15. Justification for new course: To align with IUB course offering

16. Are the necessary reading materials currently available in the appropriate library? Yes

17. Please append a complete outline of the proposed course, and indicate instructor (if known), textbooks, and other materials.

18. If this course overlaps with existing courses, please explain with which courses it overlaps and whether this overlap is necessary, desirable, or unimportant

19. A copy of every new course proposal must be submitted to departments, schools, or divisions in which there may be overlap of the new course with existing courses or areas of strong concern, with instructions that they send comments directly to the originating Curriculum Committee. Please append a list of departments, schools, or divisions consulted.

Submitted by: Date 9/20/2010

Dean Department Chairman/Division Director

Date

Dean of Graduate School (when required)

Date

Approved by: Date 9/21/2010

Chancellor/Vice-President

Date

University Enrollment Services

Date

After School/Division approval, forward the last copy (without attachments) to University Enrollment Services for initial processing, and the remaining four copies and attachments to the Campus Chancellor or Vice-President.
Syllabus
Intermediate Corporate Finance- F305
Spring 20010

Instructor: Dr. Maneesh K. Sharma
Office: 350B, Neff

Office Hours: 12-1 Tuesday and by appointments
Office Phone: 481-6484
E-Mail: Use Blackboard access
Text: Corporate Finance by Ross, Westerfield and Jaffe, e-edition

Course Description

This class is the second in the series of undergraduate corporate finance classes and BUILDS upon the issues and topics covered in the basic financial management class- F301. The objective of this class is to introduce to students to more advanced topics in corporate finance such as capital budgeting, capital structure, dividend policy, leasing, valuation and use of instruments like convertible bonds and options.

As this is the second class in corporate finance, it will be much more intensive than the first financial management class. Students will be expected to have read all the material before coming to class and be ready to discuss the various topics. A premium is placed on the interactive nature of this class.

Learning objectives

- Advanced Cash flow calculations
- Advanced capital budgeting
- Hybrid instruments
- Capital structure and dividend policies

The Book

This semester, I will be using an e-book, which will be substantially discounted as compared to the “paper book”. This book will only have material that we will actually cover. Thus, for material such as time value of money, you will have to refer to other finance books.

Sources of Information

The primary sources of information are listed below. They are in order of usage frequency:

- E-text
- Web
- Other periodicals such as Wall Street Journal and Business week
The information from Text will pertain to reinforcing the concepts in notes as well as to access some recommended problems. The information from the Web will be helpful in gathering information on companies and other business issues. Same goes for other sources of information.

As part of the requirement, the class will be divided into groups of appropriate numbers (depending upon the size of the class). The various groups will then be asked to follow a particular M&A and conduct a thorough written analysis of this case. Extensive use of the web to gather and use pertinent information is expected.

Pre-Requisites

F301, Accounting, and statistics.

Class Format

The basic mode of communication will be a combination of lecture, presentations, and discussions on appropriate topics from relevant issues of Barron’s and or Wall Street Journal. I EXPECT ALL THE STUDENTS TO HAVE READ ALL THE MATERIAL BEFORE CLASS.

Coverage of topics

January

12  Introduction to course
14  Cash flow, CH 2
19  Cash flow, CH 2
21  Some alternative investment rules, Ch6
26  NPV and Capital Budgeting, Ch 7
28  CH 7, Con’t

February

2   Strategy in Cap. Budgeting, Ch 8
4   Ch 8, con’t

9  Exam 1

11  Return & Risk, Ch10
16  Ch 10, con’t
18  COC and capital budgeting, Ch12
23 Return and Risk, Ch 12
25 Efficient capital markets, Ch 13

March
2 Capital structure- Basics Ch 15
4 Ch 15, Con’t
9-11 Spring break
16 Review Exam II
18 Exam II
23 Limits to use of debt, Ch 16
25 Ch 16, con’t
30 Valuation of levered firms, Ch 17

April
1 Ch 17, Con’t
6 Options, Ch 23
8 Options, con’t
13 Warrants Ch 18, Con’t
15 Warrants, Con’t

20 Exam III
22 Dividends/Open
27 Case
29 Case

May
3 Finals week

Requirements

Students are expected to have a business calculator.
Assignments

Two mini cases will be assigned. One will be on cash flows while the other will be on capital budgeting. Each case will represent 10% of the total grade. There will also be three exams, which will account for 25% of the grade each. The remaining 5% of the grade will be based on class participation, which will be based on my assessment of students reading of the material as well as other general readings.

Class policies

All group members are expected to contribute to the case. In the event a member does not contribute to the case, that student will be graded according to his/her efforts. Even in the event of lack of contribution from a member, the case is still expected to be finished. In an extreme case, only one member of the group may have to finish the case, although I will make efforts to accommodate that member with others, if possible. As alluded to before, the students are expected to have read the material before coming to class. All assignments are due on the date listed. The class participation grade, a bonus, is subject to my opinion which will be based on the frequency and quality of discussion by the student. Although attendance is not mandatory, it is expected and any missed class is the responsibility of the student. Finally, all work must be MS Word + excel + power point.

Grades

A- = 90 to 92; A: 93-96; A+: 97+; Other grades will be based on similar scale