Finance 405  
Advanced Corporate Financial Management I  
Fall 2008

Instructor: Dr. Mukunthan S. Krishnan  
Class period: MW 9:30 – 10:45
Office: BA 433  
Classroom: BA 403
Office Hours: By appointment  
Office phone: 282-5747
Web address: Moodle  
email address: santmuku@isu.edu

Course Objective:  
FIN 405 utilizes business cases, lectures, and other techniques to extend and apply the principles and concepts learned in FIN 315. After a review of basic business tools, we will examine in detail risk and return, cash flow and firm valuation, cost of capital, capital investment analysis, capital structure, and dividend policy. Secondary objectives are to improve your analysis and presentation skills.

Prerequisites:  
You must have completed (with a passing grade) Finance 315. There are no exceptions to the prerequisite requirements. You will be required to certify in writing that you meet the prerequisites before taking the course.

Required Texts:  
1. Intermediate Financial Management, 9th edition, Brigham and Daves  
2. Dryden by Request Finance Case Series

Grading:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Mini Quizzes (5 @ 2%)</td>
<td>10%</td>
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<tr>
<td>Case Analysis (4 @ 10%)</td>
<td>40%</td>
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<tr>
<td>Case Presentation (1 @ 5%)</td>
<td>05%</td>
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<tr>
<td>Board of Director Duties (2 @ 2.5%)</td>
<td>05%</td>
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<tr>
<td>2 Midterm Exams (2 @20%)</td>
<td>40%</td>
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<tr>
<td>Total</td>
<td>100%</td>
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The final grade will be based on your score in each of the above components. However, in order to get a passing grade, you need get more than 70% of the possible points in both the individual components (exams, quizzes, board duties, and presentation) and the group component (case analysis). The objective of this rule is to provide a cost for ‘free-riding’ in the group work, which will certainly affect your performance in the exams and quizzes.

Mini Quizzes

I will assess your knowledge of the content of each section of material using quizzes. There are 6 quizzes total. You may drop your lowest quiz from your grade calculation. There are therefore no makeup quizzes given. The quizzes are a means to ensure that you are up-to-date on the material covered in the class. The quizzes may also contain questions pertaining to articles on current world and business events discussed in class.
Exams

Exams will be a combination of problems, essay or multiple-choice questions. Exams will contain original questions that require critical thinking and an ability to apply class concepts to hypothetical problems. Essay answers will be graded on writing as well as content. A formula sheet will be provided.

Make Up Policy

You will not be able to make up any exams or cases you miss. If you miss an exam or case, you will receive a zero for that proportion of your grade. Late cases will receive a grade of zero. A paper is "late" if you turn it in any time after the start time of the class on the due date.

Attendance and Class Conduct

While I will not take attendance during class, it is the student’s responsibility to OBTAIN my permission to miss a class PRIOR to the class. A message or email sent within a few hours of class time will not be considered permission for absence. Missing more than 3 classes without permission will result in dropping a grade (for example from A to A-).

Some kinds of student conduct make it difficult for other students in class to learn and would also be unacceptable in the business world if you were attending meetings or working with others. Things to avoid would include but not be limited to: arriving late for class, leaving class early, accepting cellular phone calls except in the case of an emergency and talking while other students or the instructor are presenting material.

Presentation and Written Cases

A separate document outlines the format and other information to help you prepare your written cases. Student teams will prepare presentations based on cases from the casebook.

Students with Disabilities:

Our program is committed to all students achieving their potential. If you have a disability or think you have a disability (physical, learning disability, hearing, vision, psychiatric), that may need a reasonable accommodation, please contact the ADA Disabilities & Resource Center located in Graveley Hall, Room 123, 282-3599 as early as possible.

Academic Integrity:

Academic integrity is expected at ISU and the College of Business. All forms of academic dishonesty, including cheating and plagiarism, are strictly prohibited, the penalties for which range up to permanent expulsion from the university with “Expulsion for Academic Dishonesty” noted on the student’s transcript. If you are unclear as to what constitutes academic dishonesty, you can get a copy of the College of Business Policy on Academic Integrity from the College of Business office in BA 202, or from the College of Business website at www.cob.isu.edu, or refer to the ISU Faculty/Staff Handbook policy on academic dishonesty at: www.isu.edu/references/fs.handbook/part6/6_9/6_9a.html.
<table>
<thead>
<tr>
<th>Monday</th>
<th>Wednesday</th>
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<tr>
<td><strong>August 25</strong>&lt;br&gt;Introduction to the course</td>
<td><strong>August 27</strong>&lt;br&gt;Chapter 1: An Overview of Financial Management&lt;br&gt;Chapter 11: Corporate Value and Value-Based Management</td>
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<td><strong>September 1</strong>&lt;br&gt;No class</td>
<td><strong>September 3</strong>&lt;br&gt;Chapter 1: An Overview of Financial Management&lt;br&gt;Chapter 11: Corporate Value and Value-Based Management&lt;br&gt;<em>Mini Quiz #1: Time Value of Money</em></td>
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<td><strong>September 8</strong>&lt;br&gt;Chapter 12: Decision Criteria</td>
<td><strong>September 10</strong>&lt;br&gt;Chapter 12: Decision Criteria</td>
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<td><strong>September 15</strong>&lt;br&gt;Chapter 13: Estimating Cash Flows and Analyzing Risk</td>
<td><strong>September 17</strong>&lt;br&gt;Chapter 13: Estimating Cash Flows and Analyzing Risk</td>
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<td><strong>September 22</strong>&lt;br&gt;<em>Mini Quiz #2</em>&lt;br&gt;Sample Case Discussion</td>
<td><strong>September 24</strong>&lt;br&gt;<em>Case #1 Analysis Due</em>&lt;br&gt;Agenda: Case Presentations</td>
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<td><strong>September 29</strong>&lt;br&gt;Chapter 10: Determining the Cost of Capital</td>
<td><strong>October 1</strong>&lt;br&gt;Chapter 10: Determining the Cost of Capital</td>
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<td><strong>October 6</strong>&lt;br&gt;Chapter 10: Determining the Cost of Capital&lt;br&gt;<em>Mini Quiz #3</em></td>
<td><strong>October 8</strong>&lt;br&gt;No Class</td>
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<td><strong>October 13</strong>&lt;br&gt;<em>Case #2 Analysis Due</em>&lt;br&gt;Agenda: Case Presentations</td>
<td><strong>October 15</strong>&lt;br&gt;<em>Review For Midterm Exam</em></td>
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<td><strong>October 20</strong>&lt;br&gt;<em>Mid Term Exam 1</em></td>
<td><strong>October 22</strong>&lt;br&gt;Chapter 16: Capital Structure Decision</td>
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<td>Assignment</td>
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<td>October 27</td>
<td>Chapter 15: Capital Structure Decision</td>
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<td>October 29</td>
<td>Chapter 18: Initial Public Offerings, Investment Banking</td>
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<td>November 3</td>
<td>Mini Quiz #4</td>
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<td>Chapter 18: Initial Public Offerings, Investment Banking</td>
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<td>November 5</td>
<td>Mini Quiz #5</td>
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<td>November 10</td>
<td>Chapter 19: Lease Financing Mini Quiz #5</td>
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<td>November 12</td>
<td>Open Date</td>
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<td>November 19</td>
<td>Case #3 Analysis Due</td>
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<td>Agenda: Case Presentations</td>
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<td>Mini Quiz #6</td>
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<td>Corporate Governance</td>
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<td>Governance</td>
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<td>November 21</td>
<td>Sarbanes Oxley</td>
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<td>Discussion of Ethics</td>
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<td>November 24</td>
<td>Thanksgiving Week: No Class</td>
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<tr>
<td>November 26</td>
<td>Thanksgiving Week: No Class</td>
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<tr>
<td>December 1</td>
<td>Case #4 Analysis Due</td>
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<td>Agenda Case Presentation</td>
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<td>Mid Term Exam 2</td>
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<td>December 8</td>
<td>Review and Summary of the course content</td>
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<td>December 10</td>
<td>Open Date</td>
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