

**INTERAMERICAN UNIVERSITY OF PUERTO RICO
METROPOLITAN CAMPUS
BUSINESS FACULTY
GRADUATE DEPARTMENT
MBA PROGRAM**

SYLLABUS

I. GENERAL INFORMATION

Course Title:	Corporate Finance
Code and number:	BADM 5190
Credits:	3 credits
Academic Term:	
Instructor :	
Office Location and Hours :	
Office Telephone :	
Email:	

II. DESCRIPTION

Analysis of the financial processes of the companies. Emphasis on the financial aspects of making decisions applied to corporations, small and medium-sized enterprises and multinational companies with an ethical and globalized dimension.

III. OBJECTIVES

It is expected that upon completing the course, the student should be able to:

1. Study the factors and variables defining the financial conceptual framework in order to make decisions and analyze the financial position of any particular enterprise.
 - 1.1. Study the main financial objectives of the enterprise
 - 1.2. Analyze and evaluate investment and financing opportunities.
2. Understand the advantages and disadvantages of using different evaluation techniques to determine the financial position of a business enterprise.
 - 2.1. Understand financial mathematics needed in the determination of returns, costs, investment risks, and financing decision making
 - 2.2. Solve present and future value problems
3. Understand the theoretical and practical aspects needed to take into consideration in decision making of investing and financing current assets and liabilities.
 - 3.1. Conduct current assets analysis of a corporation.
 - 3.2. Conduct current liabilities analysis of a corporation
 - 3.3. Perform scenario analysis
4. Understand the theoretical and practical aspects required in the evaluation and analysis of long term financing alternatives.
 - 4.1. Evaluate different long term financing alternatives
 - 4.2. Study the main financing objectives of the firm.

IV. CONTENT

Unit I: Fundamental Concepts of Corporate Finance (Chapters 1, 2 and 3)

- A. An overview of Corporate Finance and the Financial Environment
- B. Financial Markets and Financial Institutions

Quiz #1

Unit II: Analysis of Financial Statements and Financial Planning (Chaps: 12 to 15)

- A. Corporate Governance and Agency Theory
- B. Financial Statements Planning and Capital Structure

Quiz #2

Unit II: Financial Mathematics (Chapter: 4)

- A. Time Value of Money

YOU MUST USE YOUR FINANCIAL CALCULATOR

Quiz #3

(Chaps: 5, 6, 7 and 8)

- B. Bonds and their Valuation
- C. Stocks and their Valuation
- D. CAPM

YOU MUST USE YOUR FINANCIAL CALCULATOR

Quiz #4

Unit IV: Capital Budgeting and Tactical Financing Decisions (Chaps: 9, 10, 11 and 16)

- A. Cost of Capital
- B. Capital Budgeting
- C. Working Capital

YOU MUST USE YOUR FINANCIAL CALCULATOR

Final Quiz #5

V. LEARNING ACTIVITIES

The applied nature of much of the accounting/finance/management information in the MBA Program demands a range of teaching and learning methods. These methods include direct contact with the instructor (using Blackboard), discussion of specific issues with other students, learning, reading, individual and group projects, accessing data using the internet, computer tools and programs (Excel is used most frequently), and analysis of companies data. The feedback will be offered through Blackboard system. The main activities of the course include the following issues:

- A. Students should read the material from the course content available in Blackboard and the recommended text(s). Any question, comparison or clarification of a topic or an issue should be delivered immediately to the instructor through Blackboard. Avoid duplications of mails. Your instructor will contact you as soon as possible (normally before 48 hours, excluding non-labor days).
- B. This course is designed to be in English and as such all materials, exams, forum, and assignments and else must be turned in English.
- C. Please note that all Assignment are optional as there is no grade for them. This is for you to review and practice for the quizzes.
- D. With respect to the exam dates and time: the calendar will show a specific day and time as the due date: this does not mean you have until said time to TAKE THE EXAM as you will need at least 2 hours to complete the exam. Therefore, you must check under "Assessments" to validate the availability of the exam. Again, please, do not assume the time on the due date marked in your Blackboard calendar means you have until such day and time to start the exam.

VI. EVALUATION

Partial exams/quizzes	70%
Research paper	10%
Final Quiz	<u>20%</u>
	Total 100%

No make-up exams are allowed. You will be allowed to have a financial calculator the day of the exam but you may not use the calculator in your mobile, iPad, Tablet, etc. Any inconvenience or any condition that will not enable a student to take one of the required evaluations should be discussed with the instructor **before the date of the evaluation**. You might have two tries in some of the evaluations (quizzes and exams), if you decide to take the two tries, the average will be considered and under no circumstances the highest grade will be considered. The second attempt enables students to auto-evaluate the first attempt. It is highly recommended to take the exam for one attempt by accessing the exam on the first day(s) of the evaluation period. If the evaluation is offered for more than two days, please do not leave the evaluation for the last day. No "**Feedback**" will be given in the last day of any evaluation. Problems with the evaluations (e.g. dates, material etc.) should be communicated to your professor **before the date of the evaluation**. Please do not send messages after the exam saying you couldn't take it for any reason.

All exams require Blackboard or MS Teams, you can find information about this requirements in the Welcoming Page of the course. Also, you can contact the Technology Development Center "**CENTRO APRENDIZAJE A DISTANCIA Y DESARROLLO TECNOLÓGICO**" (CADDIT) or the CIT personnel for more information. Also, students can take exams in the Metropolitan Campus facilities. Available seating in the CADDIT is limited. If you decide to take the exams at the CADDIT, call at least one week in advance. Please do not assume you can show up at the CADDIT and will be accommodated immediately.

VII. SPECIAL NOTES

A. Auxiliary services or special needs

All students who require auxiliary services or special assistance must request them at the beginning of the course or as soon as they become aware that they need them, through the corresponding registry, in the Office of the Coordinator of services for students with disabilities, Dr. María de los Ángeles Cabello. She is located in the Counseling and Counseling Program, office 111, on the first floor of the John Will Harris building, extension 2306.

B. Honesty, fraud and Plagiarism

Dishonesty, fraud, plagiarism and any other inappropriate behavior in relation to academic work constitutes major infractions sanctioned by the General Student Regulations. The major infractions, as stated in the General Student Regulations, may have as a consequence, suspension from the University for a definite period greater than one year or the permanent expulsion from the University, among others sanctions.

C. Use of electronic devices

Cellular telephones and any other electronic device that could interrupt the teaching and learning processes or alter the environment leading to academic excellence will be deactivated. Any urgent situation will be dealt with, as appropriate. The handling of electronic devices that allow students to access, store or send data during evaluations or examinations is prohibited

D. Compliance with the Provisions of Title IX

The Federal Higher Education Act, as amended, prohibits discrimination because of sex in any academic, educational, extracurricular, and athletic activity or in any other program or function, sponsored or controlled by a higher education institution, whether or not it is conducted within or outside the property of the institution, if the institution receives federal funds.

In harmony with the current federal regulation, in our academic unit an Assistant Coordinator of Title IX has been designated to offer assistance and orientation in relation to any alleged incident constituting discrimination because of sex or gender, sexual harassment or sexual aggression. The Assistant Coordinator Sr. George Rivera can be reached by phone at extension 2262 o 2147, or by e-mail griverar@metro.inter.edu.

The Normative Document titled **Norms and Procedures to Deal with Alleged Violations of the Provisions of Title IX** is the document that contains the institutional rules to direct any complaint that appears to be this type of allegation. This document is available in the Web site of Inter American University of Puerto Rico (www.inter.edu).

VIII. EDUCATIONAL RESOURCES

Textbook:

Brigham, Eugene F. and Michael C. Earhardt. (2017). **Financial Management Theory and Practice** 13th Ed.

You can access a pdf copy of the text on the "Content" folder in Blackboard.

Reference Books:

Berk and DeMarzo. (2017). **Corporate Finance** 4th ed. Pearson.

Corporate Finance Institute. (2017). **Financial Ratios eBook**. The Corporate Finance Institute.

Madura, J. (2010). **Mercados e Instituciones Financieras**. 8va edición. Cengage

Journals:

Web Sites<http://finance.yahoo.com><http://www.cnbc.com><Http://www.businessweek.com>**X. BIBLIOGRAPHY (OR REFERENCES)***For the conceptual issues:*

1. Stephen Ross, Randolph Westerfield and Jeffrey Jaffe, Corporate Finance, Irwin McGraw-Hill, (RWJ)
2. M. Grinblatt, and S. Titman, 1998, Financial Markets and Corporate Strategy, McGraw Hill (GT)
3. The approach taken in this book is unapologetically analytic rather than descriptive. Still the book is very suited for an MBA class. Note, please, that this book is "two steps up" with respect to RWJ and it is suited for those students that a. are very interested in the topic, and b. had some exposure to finance already. I think this is a very very very good book on corporate finance.
4. J. Stern, and D. Chew, 1998, The Revolution in Corporate Finance, Blackwell.

A collection of readings in Corporate Finance. I find the papers very clear and up to the point.

For the more applied issues:

5. T. Koller, M. Goedhart, and D. Wessels, 2005, Valuation: Measuring and Managing the Value of Companies, Wiley. A very nicely written book by world-class authors. A classic book in valuation studied in practically all major business schools.
6. A. Damodaran, 1996, Investment Valuation, Wiley. One of the many books on the topic written by "one of the top 10 business teachers in the US" (Business Week). It has all the information you may want to know and sometimes even more! No matter whether you use this book or not, check his webpage: it is impressive and it has a lot of good stuff on valuation. Here is the address: <http://people.stern.nyu.edu/adamodar/>

I will assume that you have already read Chapter 1 and Chapter 2 in the book or that you are familiar with the topics covered in those chapters.

The Time Value of Money. This lecture is completely devoted to the methods used to "bring sum of money back and forth in time", and to the analysis of the Net Present Value (NPV) rule. These are the most fundamental (and the most used) concepts in finance.

Valuing Stocks and Bonds. Once the time value of money has been covered, you will discover that the value of any project is equal to the sum of the discounted value of the cash flows produced by that project. Armed with this intuition, we can handle valuing bonds and stocks.

For more "detailed oriented" material, please see as it fits:

Damodaran, Aswath (2015), Applied Corporate Finance, 4th edition, Wiley & Sons, Inc. ISBN 978-1-1118-80893-1, www.wiley.com.