Course Description: This is an introductory course in financial management.

Required Texts:
Corporate Finance: Core Principles and Applications
by Ross, Westerfield, Jaffe and Jordan (1st edition)
The Wall Street Journal
You must sign up for the WSJ at http://subscribe.wsj.com/quarter, where you simply follow the instructions to subscribe for the quarter. Please note that your subscription entitles you not only to a copy of the paper version of the WSJ but also to the electronic WSJ.

Prerequisites: ACC 500, ECO 500, ECO 555 or equivalent.

Goals of the Course: The goals of this course are:

i) to provide an understanding of the basic concepts and tools of corporate finance, including net present value, the valuation of financial assets, capital budgeting, modern portfolio theory, the CAPM, capital structure and options.
ii) to develop expertise in applying financial mathematics to the types of problems that arise in managing a corporation.

Learning Outcomes: Upon successful completion of this course, it is expected that the student will be able to:

i) Explain basic concepts in corporate finance, such as net present value, valuation of financial assets, capital budgeting, modern portfolio theory, the CAPM, capital structure and options.
ii) Apply financial mathematics to solve problems that arise in the management of modern corporations, including the valuation of financial and real assets.

Academic Integrity Policy: As a condition of their enrollment in this course, students are expected to understand and abide by DePaul University’s Academic Integrity Policy (AIP) as outlined in http://studentaffairs.depaul.edu/handbook/code16.html. A violation of the AIP will result in sanctions, including a failing grade for the course.
Course Format: Our class meetings will include a combination of discussion, lectures and problem solving. Each day that we meet, we will begin class by reviewing what has happened in the real world of corporate finance, with specific references to stories from the WSJ (and whatever other financial publications that you might have read, e.g., the Financial Times www.ft.com) and how they relate to corporate finance. We then will review the homework assignment from the previous class (the first class being the exception). Finally, we will cover the material from the textbook assigned for the current class. Each three-hour-and-15-minute class will be broken into two segments approximately 1 1/2 hours and with a 15-minute break between segments.

Homework Assignments: Homework assignments will be posted on Blackboard. You are responsible for checking Blackboard regularly to find assignments and announcements; for reading assigned materials prior to each class; and for solving assigned homework problems prior to their due dates. The best way to learn and understand the quantitative material thoroughly is by solving problems. For many of the assignments, you will need to use Excel. Homework assignments for weeks 1-9 will be collected and graded. Each of the nine will count for 5% of your final grade. No late assignments will be accepted as we will review solutions to the problems during class. Missed assignments will be scored as zeros.

Grades: In addition to the nine homework assignments, which account for 45% of your class grade, there will be a cumulative final exam given from 6 p.m. - 9 p.m. on June 12th and will account for 45% of your grade. The exam will be closed-book and will consist of multiple-choice problems (30%) and short-answer quantitative problems (70%). Important Note: You will be provided with a basic, non-financial calculator to use during the final exam—the Sharp EL-501W, which you can review at:


You will not be allowed to use your own calculator during the final exam. The final 10% of your grade will be based upon class participation, one point for each class. There are no extra-credit assignments.

Additional Notes
You should bring your textbook to each class, as I will be referring to charts and tables during my lectures. In addition to your textbook, you should bring to each class a calculator to work in-class problems. It does not need to be a financial calculator, but must be able to calculate exponents in order to calculate present and future values.

I will be placing course material on the web. You will be able to access the material through Blackboard under the course titled “FIN_555_302_2006-2007_SPRING” using your Campus Connect user name and password. Please check the “Announcements” section (on Blackboard) periodically and the day before class for information related to the course.

Please remember to turn off your cell phones, pagers, beepers, etc. while the class is in session. If your device goes off and disturbs the class, you will earn a class participation grade of zero for that week.
**Course Reading Assignments:**
The timing of individual assignments for each week is presented below but is subject to change, depending upon the material covered during the prior week’s class. You are responsible for checking Blackboard regularly for any changes to this schedule.

*Week 1:*
Chapter 1: Introduction to Corporate Finance  
Chapter 3: Financial Statement Analysis

*Week 2:*
Chapter 4: Discounted Cash Flow Analysis

*Week 3:*
Chapter 5: Interest Rates and Bond Valuation  
Chapter 6: Stock Valuation

*Week 4:*
Chapter 7: Net Present Value and Other Investment Rules

*Week 5:*
Chapter 8: Making Capital Investment Decisions

*Week 6:*
Chapter 10: Risk and Return Lessons from Market History

*Week 7:*
Chapter 11: Risk and Return: The Capital Asset Pricing Model

*Week 8:*
Chapter 12: Risk, Cost of Capital and Capital Budgeting

*Week 9:*
Chapter 14: Capital Structure: Basic Concepts  
Chapter 15: Capital Structure: Limits to the Use of Debt

*Week 10:*
Chapter 17: Options and Corporate Finance: Basics

*Week 11:*
Final Exam
Name: ____________________________________________________________

Address: __________________________________________________________________

City __________________ State ___

Home Phone: _______________________
Business Phone: ____________________
Fax Number: _______________________
E-mail address: _____________________

Business
Name: __________________________________________________________________

Business
Address: __________________________________________________________________

Brief Statement of current job responsibilities (if employed)

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__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

Undergraduate Degree: ________________________________________________

Previous Finance Courses: _____________________________________________

Previous Accounting Courses: _________________________________________

Previous Statistics Courses: ___________________________________________