

**FIN 256 - Corporation Finance**  
**Instructor: Amber Anand**  
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**PLEASE READ THIS DOCUMENT**

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**Objectives:** This course covers a lot of ground and introduces and illustrates important concepts in finance. Apart from thoroughly covering the material in the listed chapters, we will include newspaper and periodical articles to blend in the application of these concepts.

At the end of the course you should:

- Understand time value of money and its applications to valuation
- Understand the concept of risk and the relationship between risk and expected return
- Understand project selection which leads to increase in shareholder value
- Understand the sources of capital and the capital raising process

**Pre-requisites:** *By its very nature the course tends to be mathematical.* It will serve you well to review your algebra and statistics. It is also assumed that you have a thorough understanding of materials covered in ACC 252 (including financial statement analysis), MAS 261 and ECN 203.

**Textbook:** Custom textbook, based on Brealey, Myers and Marcus (BMM), *Fundamentals of Corporate Finance*

**Recommended reading:** *Wall Street Journal, The Economist*

**Office hours:** Monday: 11.00-12.00  
**(SOM 614)** Wednesday: 11.00-12.00  
By appointment.

**Course website:** blackboard.syr.edu. I will post material on the course website including announcements, schedules, grades, end of chapter problem solutions, etc. Please make sure that you have access to the website, and you have the correct email registered on blackboard.

**Notes:**

1. We will be solving a substantial number of problems in class. Please make sure that you bring a calculator and the text to every class meeting.
2. I expect you to devote six hours per week to this course (beyond the lecture hours). Spend this time reading the textbook and other assigned material, reviewing lecture notes, reading *The Wall Street Journal*, browsing links and other material provided on the course web site. If you are unable or unwilling to devote that much time to this course, you are risking your grade.

3. I will not tolerate disruptive behavior in class like having distracting conversations with other students, reading the paper in class, etc. ***This includes sending and receiving text or instant messages, and browsing the web during class.*** Such behavior is disruptive to your class-mates and detracts from the learning environment.
4. I will appreciate any feedback regarding the course any time during the semester. If you have any suggestions, comments, complaints, or compliments about the course, please let me know. I promise that your feedback will not be used in any way to your detriment. If you do not want to reveal your identity, you may send me an anonymous note through the blackboard site for the course.

**Email policy:**

While I encourage using email in communicating with me, please read the following guidelines.

- The sending of an email does not absolve you of responsibility. For example, if an email is sent the night before a due date, not getting a response by the due date does not imply an extension.
- The larger point here is that email needs to be used responsibly, and you need to allow at least 24 hours for a response. Please also understand that emails may not get answered between Friday and Sunday.
- Please be professional and polite.

**Attendance:**

Attending the class is very important for succeeding in the course. We cover a lot of ground during the semester, and missing even a single class will put you at a considerable disadvantage. ***If you do miss a class, it is your responsibility to know the material covered.*** There will be ***no repeat*** of graded work because you missed class. ***Similarly, I will consider an announcement in class sufficient notice for all matters.***

**Grading:**

The grading for the course will be based on the following components:

Homework assignments	15%
Three exams	70%
Capstone	15%

**Homework Assignments** will be administered using Homework Manager (McGraw Hill). There will be five assignments. The best four of the five (based on your performance) will be used for calculating the grade.

**Exams:** Your exam grade will be based on three exams. Your worst performance of the three will have of weight of 10%, while the other two will account for 30% each. The exams are closed book. You will be allowed a consultation sheet subject to the following conditions:

- you are allowed to write on ***one side*** of a standard letter sized (8.5 x 11) sheet of paper.
- "write" implies ***handwritten***. Printed or photocopied consultation sheets are not allowed. Please write in a form that is legible to you in your regular practice. Magnifying glasses used especially to read consultation sheets will not be allowed.
- the consultation sheets will be collected at the end of the exam. If the conditions above are not followed, it will be considered an academic integrity violation and dealt with accordingly.

**Capstone:** The Capstone grade will be drawn from your performance in the integrated component of the core classes.

**Grading policies:**

- All deadlines are firm.

**Make-ups**

Make-ups will not be given for the exams, barring exceptional and documented contingencies. Please understand that “exceptional” includes unavoidable events such as illnesses, but not avoidable ones such as vacations. If you miss a class in which we have an exam, you will get a zero in that exam.

**Letter Grades:**

A percent score of  $x$  will be converted to a letter grade according to the following schedule:

Percent Range	Grade
$93\% \leq x$	A
$90\% \leq x < 93\%$	A-
$85\% \leq x < 90\%$	B+
$81\% \leq x < 85\%$	B
$78\% \leq x < 81\%$	B-
$75\% \leq x < 78\%$	C+
$71\% \leq x < 75\%$	C
$68\% \leq x < 71\%$	C-
$60\% \leq x < 68\%$	D
$x < 60\%$	F

**A note on the cutoffs:** The cutoffs for the grade will be *strictly* followed. For example, a cutoff of 81 for a B letter grade means that you need a final score of *at least* 81 to get a B for the class.

**SU’s Policy Statements****Statement Regarding Disability-Related Accommodations**

If you believe that you need accommodations for a disability, please contact the Office of Disability Services(ODS), <http://disabilityservices.syr.edu>, located in Room 309 of 804 University Avenue, or call (315) 443-4498 for an appointment to discuss your needs and the process for requesting accommodations. ODS is responsible for coordinating disability-related accommodations and will issue students with documented Disabilities Accommodation Authorization Letters, as appropriate. Since accommodations may require early planning and generally are not provided retroactively, please contact ODS as soon as possible.

**Statement Regarding Academic Integrity**

Syracuse University sets high standards for academic integrity. Those standards are supported and enforced by students, including those who serve as academic integrity hearing panel members and hearing officers. The presumptive sanction for a first offense is course failure, accompanied by the transcript notation “Violation of the Academic Integrity Policy.” The standard sanction for a first offense by graduate students is suspension or expulsion. Students should review the Office of Academic Integrity online resource “[Twenty Questions and Answers About the Syracuse University Academic Integrity Policy](#)” and confer with instructors about course-specific citation methods, permitted collaboration (if any), and rules for examinations. [The Policy](#) also governs the veracity of signatures on attendance sheets

and other verification of participation in class activities. Additional guidance for students can be found in the Office of Academic Integrity resource: [What does academic integrity mean?](#)

### **Statement Regarding Religious Observances**

SU's religious observances policy, found at [http://supolicies.syr.edu/emp\\_ben/religious\\_observance.htm](http://supolicies.syr.edu/emp_ben/religious_observance.htm), recognizes the diversity of faiths represented among the campus community and protects the rights of students, faculty, and staff to observe religious holy days according to their tradition. Under the policy, students are provided an opportunity to make up any examination, study, or work requirements that may be missed due to a religious observance provided they notify their instructors before the end of the second week of classes. For fall and spring semesters, an online notification process is available through MySlice/Student Services/Enrollment/My Religious Observances from the first day of class until the end of the second week of class.

### Schedule

- The schedule is subject to updates. However, the exam dates are fixed.
- If there is a difference between the schedule in the syllabus and the one in the integrated schedule, the schedule in this syllabus will apply.

	Date/Day	Topic	Reading
1	8/27 Mon	Introduction	Chapters 1&2
2	8/29 Wed	Principles of valuation	Chapter 5, Sections 5.1-5.6
	9/3 Mon	<b><i>Labor Day – No class</i></b>	
3	9/5 Wed	Principles of valuation	<b>HW 1 due by 11.59 p.m. Friday, 9/7</b>
4	9/10 Mon	Principles of valuation	
5	9/12 Wed	Principles of valuation	
6	9/17 Mon	Valuing Bonds	Chapter 6, Sections 6.1, 6.2, 6.3, 6.5, 6.6 <b>HW 2 due by 11.59 p.m. Monday, 9/17</b>
7	9/19 Wed	Valuing Bonds	Chapter 6
8	9/24 Mon	<b>Exam 1 (Chapters 1, 2, 5)</b>	
9	9/26 Wed	Valuing Stocks	Chapter 7
10	10/1 Mon	Valuing Stocks	Chapter 7 <b>HW 3 due by 11.59 p.m. Monday, 10/1</b>
11	10/3 Wed	Valuing Stocks	Chapter 7
12	10/8 Mon	Net Present Value and other Investment Criteria	Chapter 8, Sections 8.1-8.4
13	10/10 Wed	Net Present Value and other Investment Criteria	
14	10/15 Mon	Risk, Return and Opportunity cost of capital	Chapter 11 <b>HW 4 due by 11.59 p.m. Monday, 10/15</b>
15	10/17 Wed	<b>Exam 2 (Chapters 6, 7, 8)</b>	
16	10/22 Mon	Risk, Return and Opportunity cost of capital	
17	10/24 Wed	Risk, Return and Capital Budgeting	Chapter 12
18	10/29 Mon	Risk, Return and Capital Budgeting	
19	10/31 Wed	Cost of Capital	Chapter 13
20	11/5 Mon	Cost of Capital	<b>HW 5 due by 11.59 p.m. Monday, 11/5</b>

21	11/7 Wed	How corporations issue securities	Chapter 14, 15
22	11/12 Mon	How corporations issue securities	
23	11/14 Wed	<b>Exam 3 (Chapters 11, 12, 13, 14, 15)</b>	
	11/18 to 11/25	<b><i>Thanksgiving break</i></b>	
	11/26 Mon	<i>Capstone Consulting</i>	
	11/28 Wed	<i>Capstone Consulting</i>	
	12/3 Mon	<i>Capstone Consulting</i>	
	12/5 Wed	<i>Capstone Consulting</i>	