

**School of Business and Economics**

**Department of Accounting and Finance**

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| **Course Name:** | **Corporate Finance** |
| **Course Code**  **& Section No:** | **FIN440**  **Section: 8 & 9** |
| **Semester:** | **Spring 2020** |

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| Instructor & Department Information | |
| 1. **Instructor Name** | **Syed Asif Hossain** | |
| 1. **Office Room** | NAC 746 | |
| 1. **Office Hours:** | |  | | --- | | ST 08:30 - 09:30 (NAC746) Tuesdays 12:30 - 03:30 (Proctor Office at level 5, Admin Building) MW 11:20 - 12:50 (NAC746) | | |
| 1. **Office Phone:** | +880 2 55668200 Ext: 1732 | |
| 1. **Email Address:** | [syed.hossain@northsouth.edu](mailto:syed.hossain@northsouth.edu) | |
| 1. **Department:** | Accounting and Finance | |
| 1. **Links** | **North South University Website:** http://www.northsouth.edu  **School of Business and Economics Website:**http://www.northsouth.edu/academic/sbe/  **Course Website:** classroom.google.com **Class Code**: **24t5ua3**  sysnsu.weebly.com  **FB Group**: <https://www.facebook.com/groups/sysnsu/> | |

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| Course & Section Information | |
| **Class Time & Location** | MW09:40 AM - 11:10 AM at NAC509 (Sec:9)  MW01:00 PM - 02:30 PM at NAC414 (Sec:8) | |
| **Course Prerequisite(s)** | FIN254, ACT201, BUS172. Students are strongly suggested to revise FIN254 materials thoroughly. | |
| **Course Credit Hours** | 3.0 | |
| **Course Description** | This course examines in details investment and financing, and their interrelatedness. The overall goal is to obtain a comprehensive and in-depth perspective of the area of Corporate Finance. Major topics include financial analysis and planning, valuation, capital budgeting, capital structure, dividend policy, working capital management, mergers and acquisition, hybrid financing, bankruptcy, multinational financial management, and risk management. Special emphasis is given on integration of the concepts of financial management into a total systems approach to business decision-making. | |
| **Course Objectives** | This course is designed to provide students with a deeper understanding of how firms finance, invest and manage themselves in the `real world'. In FIN254, we typically assume that financial markets are perfect. In practice, firms face a variety of market imperfections. For example: flotation costs for equity is considerably higher than for debt; firms sometimes face significant costs in raising capital; shareholders cannot constantly supervise managers; certain expenses can be claimed as tax deductions whereas others cannot etc. After completing this course, you will better understand how shareholders try to maximize the value of their stake in the firm given such market imperfections. In this course we will mainly be discussing analysis of financial statements including financial planning, capital budgeting, valuation, capital structure, and payout policy. | |
| **Student Learning Outcomes** | Upon the successful completion of this course, a student will be able to:  (1) Analyze financial statements using vertical, horizontal, and standard financial ratios to determine a firm’s strengths and weaknesses, and be able to use the analysis to improve performance. Apply techniques to project financial statements for forecasting long-term financial needs.  (2) Demonstrate proficiency in valuation techniques. Apply future value and present value concepts to single sums, mixed streams, annuities, and perpetuities. Describe what determines the value of a firm’s securities and how management can influence these values.  (3) Apply the concept of risk, its measurement for single assets and portfolios, various types of risk, the source and use of betas, and the CAPM and SML. Apply techniques for estimating the cost of each component of the cost of capital and understand how to assemble this information into a cost of capital.  (4) Use Financial Statements to obtain Free Cash Flows for the firm and equity holders. Identify relevant cash flows, discuss various methods for evaluating capital budgeting projects, how to apply them, and what to do if there are conflicting recommendations.  (5) Understand how a firm influences its leverage, and how leverage affects a firm. Apply measures of cost of capital and financial leverage to form long-term financial policies for business. Describe the common factors influencing dividend policy. | |

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| Learning Resources And Textbook(s) |

**Text Book(s)**

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| **Author** | | **Title** | **Edition & Year** | **Publisher** | **ISBN** | |
| **Required Text Book**  Stephen A. Ross, Randolph Westerfield Bradford D. Jordan | | Fundamentals of Corporate Finance (Alternate Edition) | 9th Ed. – 2012-13 | McGraw Hill | 978-0-07-018334-6 | |
| **Reference Text Book**  Arthur J. Keown  John H. Martin  John W. Petty  David F. Scott | | Financial Management: Principles and Applications | 10th Ed. – 2005 | Pearson Prentice Hall | 0131450654 | |
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| Teaching Strategy | | | | |

The class will be conducted through various activities including presentation of concepts and situations, discussion and exchanges of ideas, student initiative and active involvement, cases reflecting real world context, and project. Students are expected to actively involve and to take initiative for their own learning experience.

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| Assessment Strategy and Grading Scheme | |
| **Grading tool** | **Points** |
| Attendance& Class Participation | 5% |
| Quiz (The worst quiz will be dropped) | 10% |
| Group Report | 15% |
| Assignment (Individual) | 5% |
| Midterm 1 Exam | 20% |
| Midterm 2 Exam | 20% |
| Final Exam (Comprehensive) | 25% |

**Grading Scale:**

NSU standard grading scale will be followed.

Please Refer to NSU Student Handbook, Section: “Grading Policy”

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| Classroom Rules of Conduct | | |
| 1. You may use your **laptops** in the class for class related work. Do not use your laptop for non-class related work or in any manner that will be distracting to other students or the instructor. 2. Use of **cell phones** in class is not permitted. 3. Students are advised to frequently refer to the **Student Handbook of North South University** on the following link: 4. **Academic Integrity Policy:**   School of Business and Economics does not tolerate academic dishonesty by its students. At minimum, students must not be involved in cheating, copyright infringement, submitting the same work in multiple courses, significant collaboration with other individuals outside of sanctioned group activities, and fabrications.  Students are advised that violations of the Student Integrity Code will be treated seriously, with special attention given to repeated offences.  Please Refer to NSU Student Handbook, Sections: “Disciplinary Actions” and “Procedures and Guidelines”.   |  | | --- | | Attendance Policy | | Students are required and expected to attend all classes and participate in class discussions. North South University mandates to **fail students** who are absent **25% or more** from their classes, even if such absences are excusable. Students **will not be allowed** in class after **30 minutes** of the scheduled start of the class. If a student is late for more than 30 minutes, s/he will be considered absent and no request for manually updating attendance will be entertained!  Please Refer to NSU Student Handbook, Section: “Study Principles and Policies” | | Communication Policy | | All communications should take place using the instructor’s email. Announcements in the course website will override any statement made here or in any other handouts. It is the student’s responsibility to be aware of any announcements made via Course Website. | | Students With Special Needs | | North South University will provide educational opportunities that ensure fair, appropriate and reasonable accommodation to students who have disabilities/special needs that may affect their ability to participate in course activities or meet course requirements. Students with disabilities are encouraged to contact their instructors to ensure that their needs are met. The University through its Special Need section will exert all efforts to accommodate special needs.  Please Refer to NSU Student Handbook, Section: “Special Needs Services” | | Students Complaints Policy | | Students at North South University have the right to pursue complaints related to faculty, staff, and other students.  The nature of the complaints may be either academic or non-academic.  For more information about the policy and processes related to this policy, you may refer to the students’ handbook. | | | | |
| **Late Assignment Policy** |  | |
| Promptness is a highly valued attribute in the workplace. Assignments or class work are designed to help students prepare for exam. Assignment and class work must be submitted in time. No provision for Late submission. | |
| **Group Project Policy** |  | |
| Each group (between 3-5 students) will submit a final report (hard copy and electronic copy). More details about the structure, components, time and criteria for assessment of the project will be announced during the semester. | | |
| Exams & Make Up Policy | | |
| In order to complete the course, students must submit all the required assignments and sit for the exams. You are expected to attend all quizzes. There will be at least four quizzes of which best three will be counted for the grading. There is **no provision for makeup quizzes**. Final exam will be comprehensive and the question will be common across the sections offered for FIN440.**Make-up exams** are **NOT ALLOWED** unless there is a major circumstance preventing the student from sitting in the regular exam (official material evidence is required).The make-up exam will be held at the end of the semester and will have a **COMPREHENSIVE** syllabus comprising BOTH Midterm#1 and Midterm#2topics and the timing of the makeup will be fixed by the instructor of the course. **Caution**: the comprehensive exam will be significantly harder than the regular exams!   * **Cell phones are prohibited in exam sessions.** * **All the resources along with bags/purses/handbags must be kept at the front of the class during exam.** * **Student MUST bring their own calculators during exam. Use of others calculator/mobile phones as calculators will not be allowed at any circumstances.**  |  |  |  | | --- | --- | --- | | **Course Syllabus** | | | | **Week 1** | Day 1 | Class Introduction, Overview of the Course Syllabus and Chapter 1: Introduction to Corporate Finance | | Day 2 | Brief review of the contents of FIN 254 and Chapter 2: Financial Statements, Taxes and Cash Flow | | **Week 2** | Day 1 | Chapter 3: Working with Financial Statements | | Day 2 | Chapter 3: Working with Financial Statements | | **Week 3** | Day 1 | Chapter 4: Long Term Financial Planning and Growth | | Day 2 | Chapter 4: Long Term Financial Planning and Growth | | **Week 4** | Day 1 | Chapter 5: Introduction to Valuation: The Time Value of Money | | Day 2 | Chapter 6: Discounted Cash Flow Valuation | | **Week 5** | Day 1 | Chapter 9: NPV and other investment Criteria | | Day 2 | Chapter 9: NPV and other investment Criteria | | **Week 6** | Day 1 | Chapter 10: Making Capital Investment Decisions | | Day 2 | Chapter 10: Making Capital Investment Decisions | | **Week 7** | Day 1 | Chapter 13: Return, Risk and Security Market Line | | Day 2 | Chapter 13: Return, Risk and Security Market Line | | **Week 8** | Day 1 | Chapter 14: Cost of Capital (Include Bond Fisher Effect) | | Day 2 | Chapter 14: Cost of Capital (Include Bond Fisher Effect) | | **Week 9** | Day 1 | LAB CLASS 1: Demonstrating how to use excel to solve basic financial functions | | Day 2 | LAB CLASS 2: Demonstrating how to use excel to run financial models | | **Week 10** | Day 1 | Chapter 16: Financial Leverage and Capital Structure Policy | | Day 2 | Chapter 16: Financial Leverage and Capital Structure Policy | | **Week 11** | Day 1 | Chapter 17: Dividends and Dividends Policy | | Day 2 | Chapter 17: Dividends and Dividends Policy | | **Week 12** | Day 1 | Chapter 26: Mergers and Acquisitions | | Day 2 | Chapter 26: Mergers and Acquisitions | | | |

**Tentative Exam Dates:**

Midterm# 1: Monday, March 9, 2020

Midterm# 2: Monday, April 6, 2020

Final: TBA

Note: The instructor reserves the right to make changes to the syllabus if necessary.

**Together we will make Corporate Finance learning experience a memorable one!**