

SYLLABUS

■ **Course Description** This introductory course in Finance is designed primarily to address the needs of first-year students in an MBA program by introducing the theory and practice of financial decision making in the context of, and as applicable to, a corporation – thus the more common label given to such a course: Corporate Finance.

The first objective of the course is to provide and help you develop techniques that should be part of the tool kit of students taking additional courses in Finance. The second objective is to make sure that the techniques introduced in this course will lead you to a set of principles that will allow you to analyze and logically reach conclusions for situations that are not “textbook-like”. You will be challenged to learn and discover what really works in the real world and what does not.

This course will touch upon a few major topics including evaluation of investment projects (net present value calculations, investment rules, and valuations), understanding capital markets (interest rates, stock markets, and cost of capital), and financing decisions (capital structure, manager incentives, and payout policies).

■ **Prerequisites** The course will provide some basic review of fundamental accounting concepts - think of it as “accounting refresh”. Exposure to topics covered in the core financial accounting class, e.g. MGT/P/B 200A, is highly recommended.

The course assumes very basic but essential knowledge of algebra and statistics, e.g. descriptive statistics, and basic regression analysis being necessary. These materials are covered in MGT/P/B 203, the core statistics class.

I would say the most critical skill is your familiarity with Excel. Take this one as the most important pre-requisite.

■ **Course Materials** We will use Jonathan Berk and Peter DeMarzo’s Corporate Finance textbook, examples:

- Berk & DeMarzo, Corporate Finance 4th Edition (ISBN-13: 978-0134083278, ISBN-10: 013408327X)
- Berk & DeMarzo, Corporate Finance 3rd Edition (ISBN-13: 978-0132992473, ISBN-10: 0132992477)
- Older editions or Global Editions will be useful, won't have the exact same layout/references but in case you end up with one of these I'll do my best to cross-reference.

■ **Assignments, Exams and Group Projects** There will be

- Three **group assignments** in selected weeks during the quarter as follow:
 - Group Assignment One: handed out Saturday April 2nd and due Wednesday April 13th
 - Group Assignment Two: handed out Wednesday April 27th and due Wednesday May 4th
 - Group Assignment Three: handed out Saturday May 14th and due Wednesday May 25th
- Two **individual assignments**, aka take home exams, as follow:
 - Individual Assignment One: handed out Wednesday May 4th and due Saturday May 14th

You can start the assignment at any time starting from May 4th, and from the moment you start you have 48 hours to return the exam but you have to return it no later than Monday May 11th (that is, if you start for example on Monday May 9th you won't have a full 48 hours available...)

- Individual Assignment Two: handed out Wednesday June 1st and due Monday June 6th

You can start the assignment at any time starting from Wednesday June 1st, and from the moment you start you have 48 hours to return the exam but you have to return it no later than Monday June 6th (that is, if you start for example on Sunday June 5th, you won't have a full 48 hours available...)

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■ **Grading** A total of 100% is allocated across the Group Assignments (15%, 5% each times three), Individual Assignment One (35%) and Individual Assignment Two (50%). The final grade will be set according to UC Davis policy based on the weighted average scores as described above.

■ **Course Outline** The intended list of topics and quarter schedule are provided below. Topics could be added/removed as the quarter starts and revolves. The optional references below are based on the 4th edition of the textbook.

	Date	Time	Location		Topic	Reference
1a	Wed 3/30/2022	6:00 PM - 8:00 PM	Zoom	Zoom	Financial Accounting	Ch. 2
1b + 2a	Sat 4/2/2022	1:30 PM - 5:00 PM	Bishop Ranch	BR-1503	Financial Accounting	Ch. 2
					Time Value of Money	Ch. 4,7
2b	Wed 4/6/2022	6:00 PM - 8:00 PM	Zoom	Zoom	Time Value of Money	Ch. 4,7
3a	Wed 4/13/2022	6:00 PM - 8:00 PM	Zoom	Zoom	Time Value of Money	Ch. 4,7
3b + 4a	Sat 4/16/2022	1:30 PM - 5:00 PM	Bishop Ranch	BR-1503	Time Value of Money	Ch. 4,7
					Time Value of Money	Ch. 4,7
4b	Wed 4/20/2022	6:00 PM - 8:00 PM	Zoom	Zoom	Project Valuation	Ch. 8
5a	Wed 4/27/2022	6:00 PM - 8:00 PM	Zoom	Zoom	Project Valuation	Ch. 8
5b + 6a	Sat 4/30/2022	1:30 PM - 5:00 PM	Bishop Ranch	BR-1503	Bonds and Stocks	Ch. 6, 9
					Cost of Capital	Ch. 5, 12
6b	Wed 5/4/2022	6:00 PM - 8:00 PM	Zoom	Zoom	Cost of Capital	Ch. 5, 12
7a	Wed 5/11/2022	6:00 PM - 8:00 PM	Zoom	Zoom	Firm Valuation	Ch. 9
7b + 8a	Sat 5/14/2022	1:30 PM - 5:00 PM	Bishop Ranch	BR-1503	Firm Valuation	Ch. 9
					Capital Structure	Ch. 14, 15
8b	Wed 5/18/2022	6:00 PM - 8:00 PM	Zoom	Zoom	Capital Structure	Ch. 14, 15
9a	Wed 5/25/2022	6:00 PM - 8:00 PM	Zoom	Zoom	Capital Structure	Ch. 16, 17
9b + 10a	Sat 5/28/2022	1:30 PM - 5:00 PM	Bishop Ranch	BR-1503	Capital Structure	Ch. 16, 17
					M&A and LBOs	Ch. 28
10b	Wed 6/1/2022	6:00 PM - 8:00 PM	Zoom	Zoom	M&A and LBOs	Ch. 28

The University of California, Davis CODE OF ACADEMIC CONDUCT

Honesty, Fairness, Integrity

This Code of Academic Conduct exists to support high standards of behavior and to ensure fair evaluation of student learning. Students who violate the Code of Academic Conduct are subject to disciplinary sanctions that include censure, probation, suspension, deferred separation, or dismissal from the University of California. Unless specifically authorized by the instructor in writing, misconduct includes, but is not limited to the following:

- Academic misconduct on exams or other coursework
 - Copying or attempting to copy from another student, allowing another student to copy, or collaborating with another student on an exam
 - Displaying or using any unauthorized material such as notes, cheat-sheets, or electronic devices
 - Looking at another student's exam
 - Not following an instructor's directions regarding an exam
 - Talking, texting or communicating during an exam
 - Altering assignments or exams for re-grading purposes
 - Bringing pre-written answers to an exam
 - Having another person take an exam for you, or taking an exam for another student
 - Theft of academic work
 - Unexcused exit and re-entry during an exam period
- Plagiarism
 - Taking credit for any work created by another person; work includes, but is not limited to books, articles, experimental methodology or results, compositions, images, lectures, computer programs, or internet postings
 - Copying any work belonging to another person without indicating that the information is copied and properly citing the source of the work
 - Using another person's presentation of ideas without putting such work in your own words or form and giving proper citation
 - Creating false citations that do not correspond to the information you have used
 - Plagiarizing one's own work
- Unauthorized collaboration
 - Working together on graded coursework without permission of the instructor
 - Working with another student beyond the limits set by the instructor
 - Providing or obtaining unauthorized assistance on graded coursework
- Misuse of an instructor's course materials or the materials of others
 - Posting or sharing any course materials of an instructor without the explicit written permission of that instructor
 - Purchasing or copying assignments or solutions, to complete any portion of graded work, without the instructor's permission
 - Unauthorized use of another student's work
- Lying or fraud
 - Giving false excuses to obtain exceptions for deadlines, to postpone an exam, or for other reasons
 - Forging signatures or submitting documents containing false information
 - Making false statements regarding attendance at class sessions, requests for late drops, incomplete grades, or other reasons
- Intimidation or disruption
 - Pressuring an instructor or teaching assistant to regrade work, change a final grade, or obtain an exception such as changing the date of an exam, extending a deadline, or granting an incomplete grade
 - Refusing to leave an office when directed to do so
 - Physically or verbally intimidating or threatening an instructor, teaching assistant or staff person, including yelling at them, invading personal space, or engaging in any form

of harassment

- Repeatedly contacting or following an instructor, teaching assistant, or staff person when directed not to do so
- Misusing a classroom electronic forum by posting material unrelated to the course
- Interfering with an instructor's or teaching assistant's ability to teach a class, or interfering with other students' participation in a class by interrupting, physically causing a disruption, or excessive talking

Upholding the UC Davis Code of Academic Conduct

Students, faculty, and University administration all have a role in maintaining an honest and secure learning environment at UC Davis.

- The success of our Code of Academic Conduct depends largely on the degree that it is willingly supported by students.

Students:

- Are responsible to know what constitutes cheating. Ignorance is not an excuse.
- Are required to do their own work unless otherwise allowed by the instructor.
- Are encouraged to help prevent cheating by reminding others about this Code and hold each other accountable by reporting any form of suspected cheating to the University.
- Shall respect the copyright privileges of works produced by faculty, the University, and other copyright holders.
- Shall not threaten, intimidate, or pressure instructors or teaching assistants, or interfere with grading any coursework.
- Shall not disrupt classes or interfere with the teaching or learning environment.
- Faculty members and instructors are responsible for teaching courses and evaluating student work, and are governed by University of California and UC Davis policies and regulations. Regulation 550 of the Davis Division of the Academic Senate addresses academic misconduct. Faculty and instructors:
 - Will provide students with a course outline containing information about the content of the course, amount and kind of work expected, examination and grading procedures and notice of the Code of Academic Conduct.
 - Should monitor examinations to help prevent academic misconduct.
 - Shall report all suspected cases of cheating and other misconduct to the Office of Student Support and Judicial Affairs (<http://ossja.ucdavis.edu/>).
- The University has delegated authority and responsibility to the Office of Student Support and Judicial Affairs (OSSJA) for the adjudication and resolution of academic misconduct cases. OSSJA maintains records of academic misconduct. The University:
 - Shall educate faculty and students about the Code of Academic Conduct.
 - Shall provide physical settings such as classrooms and labs for examinations that minimize opportunities for academic misconduct.
 - Shall assist and train faculty and teaching assistants about how to prevent and address academic misconduct.
- Submitting Reports and Judicial Procedures:

- The Code of Academic Conduct governs academic conduct at UC Davis.
- Faculty have sole authority, as granted by the Academic Senate, to evaluate a student's academic performance and assign grades. If academic misconduct is admitted or established, instructors may assign a grade penalty no greater than "F" for the course in question. If a report is pending at the end of an academic term, instructors should assign a temporary grade of "Y" for the course until the report is resolved.
- A faculty/student panel, convened by OSSJA, shall conduct formal hearings to adjudicate contested cases of academic misconduct, unless the right to a formal hearing has been withdrawn. The right to a formal hearing may be withdrawn because of a prior finding of misconduct.
- Instructors and teaching assistants may direct a student to leave a class immediately if the student's behavior is disruptive.
- Instructors, teaching assistants, and staff persons should contact police (752-1230 or 911) if they feel physically threatened