

**BUSFIN 1311 CORPORATE FINANCE**  
**Spring 2017**  
**Course Outline**

**PROFESSOR:** Shawn Thomas  
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**OFFICE HOURS:** Tuesday and Thursday 2:00pm-3:00pm and by appointment

**CLASS MATERIALS:** The text for this course is *Corporate Finance*, by S. Ross, R. Westerfield, and D. Jaffee, 9th Edition, McGraw-Hill/Irwin, 2010 (ISBN 978-0-07-338233-3). You can use a newer or older edition of the text if you desire (see attached for a reconciliation of the 9<sup>th</sup> and 8<sup>th</sup> editions). It will be your responsibility to make the necessary adjustments to follow the course using a different edition. A copy of the 9th edition is on reserve at Hillman Library.

Also, you will need to obtain additional **required** materials for the course, i.e., articles from the business press, cases, problem sets, and copies of my lecture notes. You have two options. Option 1: You can purchase all of these materials as a complete coursepack from the Book Center. The articles in the coursepack are copyrighted materials, so you will be charged for the actual copyright clearance fees and the copying fees. Option 2: You can assemble the copyrighted materials yourself (mostly via the University Library System) using the bibliography posted on Courseweb and obtain the noncopyrighted materials from Courseweb. While I would recommend that you purchase a complete coursepack from the Book Center, you are welcome to take responsibility for obtaining the additional required materials from Library sources. You will need **all** of these materials for the course.

**GRADING:** Your grade will be determined as follows:

Class Participation and Discussion	10%
Problem Sets	5%
Cases	20%
Midterm Exam	30%
Final Exam	35%

There will be two exams. The Final Exam will be somewhat cumulative. Makeup exams will only be available in cases of significant illness or personal emergency. To qualify for a makeup, you must provide notice of your absence in advance of the scheduled exam and adequate documentation for the cause of your absence as soon after the exam as is practical. If you have a disability for which you are requesting an accommodation, you are encouraged to contact both me and the Office of Disability Resources and Services (216 William Pitt Union) as early as possible in the term. DRS will verify your disability and determine reasonable accommodations for this course.

The cases and problem sets should be done in groups and handed in on the dates indicated on the class schedule. You are free to choose your own groups subject to one constraint: each group must have at least 4 members and no more than 5 members. You may form groups with students in other sections of this class. However, assignments must be turned in by the student(s) enrolled in the earliest section attended by a group member. Keep a copy of your problem sets and cases for class discussion. The quality of exposition and presentation as well as the accuracy of the answers will be used in grading the problem sets and cases. At the end of the semester you will be asked to anonymously evaluate the contributions of all group members. These evaluations will, in part, determine class participation scores.

This course is far more interesting (for the students and the professor) when students come to class **well prepared**. Thus, a class participation score will be determined in part on how well you respond when called upon in class. At a minimum, you should review the assigned readings prior to the corresponding lecture. Also, students should be prepared to discuss answers to problem sets and cases with the rest of the class. Clearly, if you are not in class, then you can't participate.

The final grade cutoffs will ultimately depend on the curves for the exams. Grading for the course will be in accordance with the College of Business grading policies. Note that the College of Business requires students to attain class grades in excess of stated minimums in order to graduate. However, the grade you receive in this course will strictly reflect your performance in only this course and will in no way be influenced by your standing relative to the College's graduation requirements.

**Tentative Class Schedule:**

1/5	Introductions and Course Overview Lecture 1: Theory of the Firm, RWJ Chapter 1 and Lecture 1 Articles
1/10	Lecture 2: Analysis of the Firm, RWJ Chapters 2 and 3 and Lecture 2 Articles
1/12	Lecture 2: Continued, <b>Self-Study Exercise</b>
1/17	Lecture 2: Continued
1/19	Lecture 2: Continued & Lecture 3: Financial Planning, RWJ Chapters 3 and 26
1/24	Lecture 3: Continued & Lecture 4: Cash and Credit Management, RWJ Chapters 26, 27, and 28 and Lecture 4 Articles
1/26	Lecture 4: Continued, <b>Case 1: Jackson Industries</b>
1/31	Lecture 5: Fisher Separation, NPV, and Capital Budgeting, RWJ Chapters 4 and 6
2/2	Lecture 6: Strategy and Analysis in Using NPV, RWJ Chapter 7 and Lecture 6 Articles
2/7	Lecture 6: Continued
2/9	<b>Case 2: To Be Distributed</b>
2/14	Lecture 7: Options, RWJ Chapter 22
2/16	Lecture 8: Real Options, Lecture 8 Articles
2/21	Lecture 8: Continued
2/23	Exam Review <b>Problem Set 1 Due</b>
2/28	Midterm Exam
3/2	Exam Recap, Lectures 9 & 10: Management Compensation and EVA, Lecture 9 & 10 Articles
3/14	Lecture 11: Risk Management, Lecture 11 Articles
3/16	Lecture 11: Continued
3/21	Lecture 12: Capital Structure, RWJ Chapter 16
3/23	<b>Case 3: To Be Distributed</b>
3/28	Lecture 13: Limits to the Use of Debt and Some Examples, RWJ Chapters 17 and 30
3/30	Lecture 14: Dividend Policy and Signaling, RWJ Chapter 19 and Lecture 14 Article
4/4	Lecture 15: Capital Structure and Dividend Policy Recap, Lecture 15 Article
4/6	Lecture 16: Mergers and Acquisitions, RWJ Chapter 29 and Lecture 16 Articles
4/11	Lecture 16: Continued
4/13	<b>Case 4: To Be Distributed</b>
4/18	Lecture 16: Continued
4/20	Exam Review and <b>Problem Set 2 Due</b>
TBA	Final Exam

Reconciliation of Corporate Finance by Ross, Westerfield, and Jaffe 9<sup>th</sup> and 8<sup>th</sup> Editions

Lecture or Case	RWJ 9 <sup>th</sup> Edition	RWJ 8 <sup>th</sup> Edition
Lecture 2	Midland Co e.g. p9 Table 3.6 Section 3.1-3.3	Midland Co e.g. p6 Table 3.5 Sections 3.1-3.4
Lecture 3	Ch. 3 (3.4-3.6) Table 3.16 Ch. 26 (26.1-26.4) Eqn. 26.3	Ch. 3 (3.5-3.7) Table 3.18 Ch. 26 (26.1-26.5) Eqn. 26.4
Lecture 4	Section 26.5 Section 27.5 Ch. 28, Sections 1-6	Section 26.6 Section 27.4 Ch. 28
Lecture 5	Ch. 6	Ch. 7
Lecture 6	Ch. 7	Ch. 8
Lecture 7	E.g., page 698	E.g., page 651
Lecture 8	Section 7.3	Section 8.3
Lecture 12	Ch. 16 Figure on page 510	Ch. 15 Figure on page 445
Lecture 13	Ch. 17	Ch. 16
Lecture 14	Ch. 19	Ch. 18
Jackson Case	Tables 3.5 and 3.6	Tables 3.4 and 3.5