

**RUTGERS UNIVERSITY
SCHOOL OF BUSINESS – CAMDEN**

**PLEASE READ THIS DOCUMENT THOROUGHLY AS IT CONTAINS MUCH
INFORMATION ABOUT THE COURSE AND STANDS AS THE AGREEMENT
BETWEEN THE PROFESSOR AND STUDENT.**

Corporate Finance 52:390:310:01

Spring 2025

**Classroom: ATG 123 (PLEASE BE PROMPT AS I START EXACTLY ON TIME
REGARDLESS OF THE NUMBER OF STUDENTS IN THE ROOM AS WELL
AS END EXACTLY ON-TIME.)**

Professor: Prof. Richard A. Michelfelder, Ph.D.

Camden Office: Room 437, Business and Science Center

Contact Information:

E-mail: richmich@rutgers.edu (please identify the class in subject line)

Course Venue: Face-to-Face

Posted will be the syllabus, resources (articles and examples), power point slides, announcements, guides, etc. To access this system, go to <http://canvas.rutgers.edu>, log in, and click on the course on the dashboard.

Office Hours: One hour before or after class in room ATG 123, and online on Tuesdays from 9 AM to 10 AM. An invitation will be forthcoming for all sessions with links to every session placed on your MS calendar. Please accept it. Anytime by Webex appointment, phone appointment; please email to schedule.

Required Text:

Brealey, Richard A., Alan J. Marcus, and Stewart C. Myers, 2020, 10th edition or a past recent edition, *Fundamentals of Corporate Finance*, New York: Irwin-McGraw-Hill, ISBN 9781260013962

Feel free to obtain a past edition to reduce textbook costs.

You will need access to MS EXCEL© and MS WORD©.

Other readings and handouts will be assigned.

Readings To Be Provided

Selected readings from finance and economic journals, consulting and corporate reports, white papers, newspapers, and other sources will be distributed for reading and forthcoming review in class.

Disability Services/Accommodations

Rutgers University welcomes students with disabilities into all of the University's educational programs. In order to receive consideration for reasonable accommodations, a student with a disability must contact the appropriate disability services office at the campus where you are officially enrolled, participate in an interview, and provide documentation: <https://ods.rutgers.edu/students/documentation-guidelines>.

If the documentation supports your request for reasonable accommodations, your campus's disability services office will provide you with a Letter of Accommodations. Please share this letter with your instructors and discuss the accommodations with them as early in your courses as possible. To begin this process, please complete the [Registration form](https://webapps.rutgers.edu/student-ods/forms/registration) (<https://webapps.rutgers.edu/student-ods/forms/registration>).

Disabilities Office Contact Information:

Erin G. Leuthold, MS Ed
(856) 225-2717

Rutgers-Camden Disability Services:

311 North Fifth Street, Camden, NJ 08102-1405

Web page: <https://ods.rutgers.edu/contact-ods/rutgers-university-camden>

E-mail: disability-services@camden.rutgers.edu

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Academic Integrity

Rutgers University takes academic dishonesty very seriously. By enrolling in this course, you assume responsibility for familiarizing yourself with the Academic Integrity Policy and the possible penalties (including suspension and expulsion) for violating the policy. As per the policy, all suspected violations will be reported to the Office of Community Standards.

Academic dishonesty includes (but is not limited to):

- cheating
- plagiarism
- aiding others in committing a violation or allowing others to use your work
- failure to cite sources correctly
- fabrication
- using another person’s ideas or words without attribution
- re-using a previous assignment
- unauthorized collaboration
- sabotaging another student’s work

If in doubt, please consult the instructor. Please review the Academic Integrity Policy at <https://deanofstudents.camden.rutgers.edu/sites/deanofstudents/files/Academic%20Integrity%20Policy.pdf>.

Refer to this site for resources to assist you in preventing academic integrity issues such as coaching from the Learning Resource Center, Tips to help prevent AI violations, and other reference material for writing. More information is available at: <https://deanofstudents.camden.rutgers.edu/academic-resources>

Students are responsible for understanding the principles of academic integrity and abiding by them in all aspects of their work at the University. Students are also encouraged to help educate fellow students about academic integrity and to bring all alleged violations of academic integrity they encounter to the attention of the appropriate authorities.

Academic Integrity means that you (the student) must:

- properly acknowledge and cite all use of the ideas, results, or words of others,
- properly acknowledge all contributors to a given piece of work,
- make sure that all work submitted as your own in a course activity is your own and not from someone else,
- obtain all data or results by ethical means and report them accurately, and,
- treat all other students fairly with no encouragement of academic dishonesty.

Adherence to these principles is necessary in order to ensure that:

- everyone is given proper credit for his or her ideas, words, results, and other scholarly accomplishments,
- all student work is fairly evaluated and no student has an inappropriate advantage over others,
- the academic and ethical development of all students is fostered, and,
- the reputation of the University for integrity is maintained and enhanced.

Failure to uphold these principles of academic integrity threatens both the reputation of the University and the value of the degrees awarded to its students. Every member of the University community therefore bears a responsibility for ensuring that the highest standards of academic integrity are upheld. Violations are taken seriously and will be handled according to University policy.

Students have a right to due process when accused of violating the policy.

Key Spring 2025 Semester Dates

Spring Semester Begins	January 21
Spring Recess Begins	March 15
Spring Recess Ends	March 23
Regular Classes End	May 5
Reading Days	May 6 to May 7
Spring Exams Begin	May 8
CF Final Exam	Saturday, May 10

Midterm Examination: To be announced.

Course Objective

The objective of the course is to advance the student's knowledge of finance and related analyses and skill-sets in how to approach a business financial problem, perform the appropriate financial analysis, and make financial decisions. In the practice of financial management, you are typically presented with problems or opportunities that need to be defined, framed, quantified, analyzed; leading to a multitude of potential alternative decisions and a final decision with consequential actions and results.

Fundamental Learning Objectives:

Proficiency with Capital Budgeting Analysis: Students will be able to

1. Apply standard capital budgeting techniques with awareness of their benefits and limitations
2. Compute the cash flows associated with capital expansion and replacement decisions
3. Perform and interpret sensitivity and scenario analyses when evaluating proposed investments

Understanding of Cost of Capital: Students will be able to

1. Determine a firm's overall cost of capital
2. Correctly include flotation costs in capital budgeting projects
3. Understand pitfalls associated with a firm's overall cost of capital and what to do about them

Knowledge of Capital Structure Basics: Students will be able to

1. Describe the effect of financial leverage
2. Determine the impact of taxes and bankruptcy on capital structure choice
3. Understand the essentials of the bankruptcy process

Knowledge of Dividend and Payout Policy Issues: Students will be able to

1. Understand dividend types and how dividends are paid
2. Recognize the issues surrounding dividend policy decisions
3. Understand why share repurchases are an alternative to dividends

Additional Learning Goals:

1. Apply financial statement analysis for assessing the position of a firm, cash flow forecasting and for valuation of assets
2. Learn how to develop a business and financial plan
3. Perform valuations of assets, firms, and stocks
4. Risk analysis and risk management
5. Making a project investment decision
6. Financing the project with debt and / or equity

At a general level, you should leave this course being able to conduct **valuation and evaluation** analysis for a project investment decision.

How To Succeed In This Course

The material presented in class provides the essential knowledge of the course. You are expected to:

- 1) Read all assigned materials associated with each module during each period assigned.
- 2) Watch / listen to all lecture / videos very carefully. This is the equivalent of attending class with the advantage that you can watch and listen to it as many times as you would like. As far as questions, please contact me as soon as possible and I will usually respond in less than 24 hours.
- 3) Ask many questions, start and participate in discussions with me and other students.
- 4) Be vigilant in keeping up with the course pace. It is finance and fairly quantitative. This is a very fast-paced course with a lot of material and continues to build on previous material.
- 5) Pay close attention to and complete all assignments on-time. They will be extremely important for learning and understanding much of the material.

- 6) For anyone who may be tempted, please do not cut-and-paste or paraphrase material from any source for any and all documents that you develop and submit for this course, including the three examinations and assignments. This point should be obvious, yet is made anyway as such incidences have a greater tendency to occur when examinations are done at home and are essay-based. If such is suspected, the student will be requested to discuss the topic in a phone call or a meeting. Faculty also use TURNITIN software as a search tool for such instances. If it reads like it was written by an expert, it probably was. Such is also act an act of academic dishonesty and will be treated accordingly.
- 7) Do not complete assignments in the last minute – haste makes waste and it will be obvious
- 8) Consult with the professor immediately when you need help.

Student Code of Conduct

The University's Student Code of Conduct can be found at
<http://studentconduct.rutgers.edu/university-code-of-student-conduct>

Violations of the Student Code of Conduct are considered serious infractions of student behavior and students who violate the code are subject to penalties relative to the level of the matter. In general, students may not disturb normal classroom procedures by distracting or disruptive behavior. Examples of disruptive behavior include, but are not limited to, the following:

- Repeatedly leaving and entering the classroom without authorization
- Using smartphones in any way,
- Making loud or distracting noises
- Repeatedly speaking without being recognized, interrupting the instructor or other students, or otherwise acting in disregard of the instructor's requests
- Threats or violence

Violations of the Student Code of Conduct should be reported to the Dean of Students office deanofstudents@camden.rutgers.edu or 856-225-6050.

If the violation is immediate and a potential threat is a concern, call the Rutgers-Camden police at 856-225-6111

Overall Policy and Grading

Students are responsible for all text and other assigned readings in addition to all lecture material. Grades will be based on three examinations and tge completion of multiple assignments. Dates of examinations will be announced at least one week in advance.

First Examination: 10%

This exam covers about one-and-one-half topic outlines and is a brief query to assess academic proficiency to date.

Mid-Term Examination: 20%

This exam will involve a series of essays for three of the six topic outlines.

Final Examination: 50%

This exam will be similar in nature to the mid-term examination but cover the entire course.

Assignments: 10%

Analytical assignments will be issued. They will be associated with addendums for specific Outlines in the Course.

Participation: 10%

This includes attendance, staying in the room for the entire lecture, participating in discussions, no use of cellphones or electronic devices, and not disrupting class. **Multiple occurrences of the last aforementioned three items will result in a 0 for participation.**

Missed Examinations Policy:

If, for a university approved reason, you cannot take an exam at the scheduled time you must give the professor written notice at least one week in advance so that other arrangements can be made. If the situation does not allow for advance notification (for example, emergency hospitalization), contact the professor as soon as possible after a missed exam. Make-up exams for any reasons are not assured as the professor may choose to waive the exam. The professor reserves the right to request written documentation to support your absence (such as a doctor's note, an obituary, or military orders).

Course Grades:

Final course grades will not be issued by the professor in accordance with University Policy. They are available from the Registrar after they are submitted. Any questions or inquiries about final course grades will be done in a meeting or phone call, not email. Any inquiries regarding final course grades, once issued, are final and not subject to change as they are developed very carefully. So if your sole goal of grade review is to attempt to affect your course grade, your attempt will not be successful. However, all inquiries are always welcome with a phone or face-to-face appointment to reviewing anything that you wish to review. I will not provide information in response to email inquiries on grade details. I will respond to schedule a phone or face-to-face appointment.

Course Letter Grade Description:

A Highest grade (90% and above)

B+ Work of distinction (84.5% to 89.4%)

B Work of distinction (79.5% to 84.4%)

C+ Average work (74.5% to 79.4%)

C Average work (69.5% to 74.4%)

D Passing, but unsatisfactory (60% to 69.4%)

F Failure without credit (Below 60%)

COURSE OUTLINE

TOPICS

READINGS

	<i>TOPIC OUTLINE</i>	<i>TEXT</i>	<i>Assignment</i>	
1.	Review and Analysis of Financial Statements	Chapters 3, 4		
2.	Business Financial Planning and Forecasting	18		
3.	Risk, Return, and Cost of Capital Supplement: Regressions Analysis Applied to Beta Estimation	11, 12, 13	1) Estimate and Replicate the Value Line Beta for a Stock – Regression Analysis 2) Estimate the Weighted Average Cost of Capital for a Public Utility	
4.	Project Investment Decision-Making Supplement: Advanced Topics in Valuation and Risk Analysis	5, 8, 9, 10		
5.	Stock and Bond Valuation	6, 7	1) Estimate the Value of a Publicly Traded Firm Model	
6.	Debt Policy / Use of Debt in Financing, Dividend Policy, Acquisitions and Divestitures	16, 17, 21		

Other readings for specific Outlines will be distributed.