

Business 241 Corporate Finance
Department of Economics, Queens College
City University of New York

Spring 2006

Instructor: Kazuhisa Matsuda

Office: Room 300B, Powdermaker Hall

Office Hour: Tuesdays & Thursdays 12:00 – 12:30 PM

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Class Schedule:

Section/Code	Regular Class at PH 132	Lab at KY 236
9T3RA/2535	Tue/Thu 9:25 – 10:40 AM	Tuesday 11:00 – 11:50 AM
9T3RB/2543	Tue/Thu 9:25 – 10:40 AM	Thursday 11:00 – 11:50 AM

Course Objective:

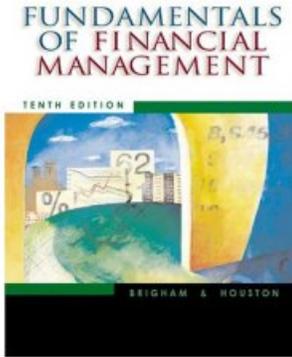
This course is designed as one-semester introductory corporate finance course for economics, business, and accounting majors. No prior knowledge of corporate finance or accounting principles is required. Emphasis is equally on both the fundamental concepts of corporate finance and applications. Students are expected to develop the ability to apply the basic concepts to the business settings in the real world through numerous application problems and case studies. Students spend 50 minutes/week in the computer classroom in which they study portfolio management using stock trading simulation game and they apply MS Excel's spreadsheet for the purpose of corporate finance. Students are required to work as a team in many case studies because of the importance of the ability to be a member of a team and contribute to the team like any other corporate settings. We begin with financial goals of a firm – how managers and investors use financial statements to judge how well a firm is meeting its goals. We also learn that how managers can be motivated by incentive compensation and the threat of takeovers. Then, we proceed to financial market topics such as the risk and return concept, time value of money, bond valuation and interest rates, and stock valuation models. After you've done with these basics, we cover the financial tools and techniques of managers in order to maximize the firm's value. These are called capital budgeting techniques and optimal capital structure. Time permitting, the course will deal with derivatives and risk management.

Prereq:

Economics 102: Introduction to Microeconomics

Required Text:

Title: Fundamentals of Financial Management, Tenth Edition
Author: Eugene F. Brigham & Joel F. Houston
Publisher: South-Western College Pub
ISBN: 0-324-17829-8



Required Calculator:

Texas Instruments BAI PLUS. There are several different versions of this series. I bought the one which cost \$30 at Staples. It solves every question you meet in this course. It is also CFA (Chartered Financial Analyst) exam certified.

Course Web Site:

<http://www.maxmatsuda.com> You can get everything you need (handouts and this syllabus) and much more at my website. The information about the stock trading simulation game we use is illustrated.

Course Grades:

In terms of exams, you will have one mid-term exam and one final exam. Other components of your grade include series of assignments, 3 (surprise) quiz, the result of stock trading simulation game, and the attendance.

Grade Component

	Date	Marks	Weight	Time	Cumulative
Midterm Exam	March 23 Thu.	100	33.5%	75 minutes	Yes
Final Exam	T.B.A.	100	33.5%	120 minutes	No
Others			33%		

Grading system is based on the relative scale, not on the absolute scale. You will be compared to the class mean.

**I expect regular class attendance and participation throughout the semester.*

**These are just plans. These plans are subject to change.*

**The date of final exam is to be announced by the economics department later.*

Make-up Exam Policy:

Make-up exams will be allowed only in extenuating circumstances. Every effort should be made to take the test as scheduled. All make-ups must have the instructor's approval.

Additional Learning Tools:

- ✓ Brigham Xtra CD which accompanies the textbook. This provides tons of learning aids. It contains multiple choice questions, too.
- ✓ <http://brigham.swlearning.com> You can practice multiple choice questions.

Team Work:

Students are required to work as a team in many case studies because of the importance of the ability to be a member of a team and contribute to the team like any other corporate settings. I will give you the details about the rules of the team later.

Course Outline & Required Readings:

- [1] Overview of Financial Management
- [2] Financial Statements, Cash Flow, and Taxes
- [3] Financial Statement Analysis
- [4] Financial Markets, Financial Institutions, and Interest Rates
- [5] Risk and Return Concept
- [6] Time Value of Money
- [7] Bond Valuation
- [8] Stock Valuation
- [9] Cost of Capital
- [10] Basics of Capital Budgeting
- [11] Cash Flow Estimation, Risk Analysis, and Case Studies in Capital Budgeting
- [12] Derivatives and Risk Management

These plans are subject to change.