Southern Illinois University Carbondale
College of Business
Finance Department

Instructor Information
Name: Claire Liang
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Class Time and Location

<table>
<thead>
<tr>
<th>Section</th>
<th>Time</th>
<th>Location</th>
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<tbody>
<tr>
<td>FIN 361-1 / BA 430</td>
<td>MW 12:35 – 01:50 pm</td>
<td>Rehn 326</td>
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</table>

Office Hours
MW 02:00-02:30 pm
Other times available by appointment; Additional office hours before exams

TA (Eric He) Office Hours
TBD
Rehn 237 (Finance PhD office)

Course Objectives
As the second undergraduate course in corporate finance, the purpose of FIN 361 is to provide business students with a greater depth of understanding of topics that are important to the financial management of the modern business corporation.

My primary goal is to help you develop a framework and acquire necessary knowledge from which you can think about and analyze corporate financial decisions (i.e. to think like a CFO). Although theory will also be studied, we will tend to focus on the more practical applications of the topics covered in this course.

Prerequisites
FIN 330 (Introduction to Finance) with a grade of C or better, junior standing, and business major or minor.

Course Materials
Recommended Textbook:

Slides, which outline each lecture, will be made available online before each class. I may also distribute some articles online throughout the semester.
The following grades will be assigned for the respective average equivalents:
A: (90% <= Grade), B: (80% <= Grade < 90%), C: (70% <= Grade < 80%),
D: (60% <= Grade < 70%), F: (Grade < 60%).

**Note:** If your grade is slightly below the passing mark, I will look at your performances on the term project and final exam. A passing grade may be given if I determine that you have demonstrated adequate understanding of the course materials.

**Attendance:** Attendance is not mandatory, but is strongly encouraged. Based on my experience, a student’s performance in this course is usually positively correlated with his/her class attendance. If you miss a class, then you are responsible for getting whatever information you need from a classmate (not from me). This applies to questions about upcoming exams.

**Class Participation:** I encourage good discussions in class that help enhance everyone's learning experience. Class participation points come from good questions you asked or good comments you made in class related to the course materials.

**Assignments:** Practice questions will be assigned for each chapter to help you internalize the content covered in the chapter. Quiz and exam questions will be drawn from the lectures and assignments.
The points you get from assignments = Total points you get on assignments / Total available points of assignments * 10%.

**Quizzes:** A short quiz will be conducted in the beginning of the class from time to time. I will announce the date and coverage area of the upcoming quiz in class (one week advance notice). Please familiarize yourself with the lecture content and problems in the assignments. There will be approximately 4-7 quizzes throughout the term. The maximum number of quizzes you may miss for a legitimate reason (e.g. severe illness) is 2. When the cumulative number of missed quizzes is not greater than two, the weight of the missed quiz will be shifted to other quizzes if you miss a quiz for a legitimate reason. When the cumulative number of missed quizzes is greater than two or if you don’t have a legitimate reason for the absence, you will receive a score of zero.

**Term Project**

**Purpose:** The term project is a stock valuation exercise. It gives you an opportunity to apply the knowledge you’ve learned in this course toward real world problems. You and your teammate choose a company to conduct valuation of the company’s stock. The topics of capital budgeting, cost of capital, and capital structure will be most helpful in completing the valuation exercise. A good analysis not only boosts your grade in this course, it can also help you stand out in job interviews.

**Important dates and deliverables:**

- 2/17 (W): project proposal due and in-class project proposal presentations
- 4/25 (M), 4/27 (W): in-class project presentations
- 4/29 (F): Final project report due

**Project proposal:** Each team should prepare a 5 min PowerPoint (ppt) presentation to discuss the proposal in front of the class. The proposal should cover (i) names of team members (ii) company background (iii) cash flow drivers (historical trends and projections) (iv) peers / competitors. Each team should have no more than 2 members. Send me the ppt slides via email by 11am on due date.

**Project presentation:** Each team should prepare a 10 min ppt presentation to share with the class the results of the analysis (estimated price per share; currently undervalued/overvalued recommendation). Send me both the ppt slides and your Excel model via email by 11am on 4/25 (M). We will draw lots to determine the order of presentations in class.

**Final project report:** You may receive comments during your project presentation that help improve your analysis. You may also learn ways to improve your analysis by watching other teams present. You can revise your analysis and send me the revised/final report (in ppt format) via email by midnight on the due date. You should briefly outline the revisions (compared to the previous version) and the reasons for the revisions on the first page of the revised/final report.

**Academic Integrity**

Academic dishonesty will be dealt with severely. Any suspected cases of academic dishonesty will be referred to the Dean for the appropriate disciplinary action. The stiffest penalty under University policy will be recommended.
Midterm and Final Exams

Exam Attendance: If you miss only one midterm exam for a legitimate reason (e.g. severe illness), the weight of the missed midterm will be shifted to your final exam. If you don’t have a legitimate reason, you will receive a score of zero. You cannot miss more than one midterm exam. The second missed midterm will receive a score of zero even with a legitimate reason. There are no alternative exam dates, so if your schedule prevents you from sitting for an exam, don’t take the class. A student who finishes an exam early will be asked to remain in the room until the end of the allocated test time. You are not allowed to take the exam if you are late for more than 10 minutes.

Materials Tested: The midterms are non-cumulative. However, the final exam is cumulative. Like quizzes, exam questions are drawn from the lectures and assignments. Materials in the textbook that are not covered in the lectures or assignments will not be on the exams.

Formula Sheet and Other Materials: You may bring a calculator to the exams. You need to have your SIU student ID out in plain sight while taking the exams. No mobile or electronic communication devices of any kind may be accessed during examinations. A formula sheet will be provided to you during the exams. In addition, you are allowed to bring your own formula sheet that complies with certain requirements (details to be announced before the exams).

Other Information
1. The best way to learn is solving problems on your own. I will assign practice questions throughout the course to help you understand the materials covered. The term project is also designed for the same purpose.

2. I will not discuss forthcoming exams during office hours or outside the class. All students will have the same information concerning exams, so ask questions concerning any forthcoming exam during class.

3. Incomplete grades will not be given except under appropriate circumstances. Requests for an incomplete must come shortly after such time that the student established conditions whereby he/she will be unable to finish the course.

Classroom Conduct

You are not required to attend the lectures. If you choose to come to class, please show respect to me and your fellow classmates, show up on time, silence your mobile phone and refrain from distracting/disruptive behaviors in class, such as talking, texting, typing, surfing the Internet, or entering/leaving the room during the lecture. Students who intend to leave the class early or show up late for a legitimate reason (e.g. to attend a job interview) should communicate with me before the start of the lecture to obtain my permission. Students who are late for more than 10 minutes without my prior approval will not be allowed to attend the lecture.

The majority of the students at SIU are great. However, sometimes a few students may break the codes of classroom conduct repeatedly, making it difficult for both myself and the other students to concentrate. My policy regarding this is as follows: The first time a student is disruptive I ask them to stop. The second time the student is asked to leave class for rest of the day. The third time I both ask
the student to leave class for the day, and ask the Dean to permanently remove the student from the class.

**Getting in Touch with me**

Send me an e-mail if you have short questions or would like to schedule a meeting. Please write FIN 361 in the subject line. My e-mail policy:

- I will do my best to respond to e-mail by the end of the following business day. That is a goal, not a promise.
- E-mail may not be suited for explaining certain financial concepts. I’ll do what I can but often I’ll recommend a meeting if the topic is too cumbersome to deal with via e-mail.
- Please have reasonable expectations about my response speed before exams. If you send an e-mail after 4pm the day before an exam, you probably won’t get a timely response.

**Tentative Course Schedule: This schedule is subject to change**

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<tr>
<th>Topic</th>
<th>Description</th>
<th>Textbook Chapters</th>
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<tr>
<td>1</td>
<td>Introduction</td>
<td>Chapter 1</td>
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<tr>
<td>2</td>
<td>Choose long-term investments (capital budgeting)</td>
<td>Chapters 5, 6, 13</td>
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<tr>
<td>3</td>
<td>Choose long-term financing (capital structure)</td>
<td>Chapters 16, 17, 30, 18, 15</td>
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<tr>
<td>4</td>
<td>Payout policy</td>
<td>Chapters 19</td>
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**Emergency Procedures (instructions have been provided by the University):**

Southern Illinois University Carbondale is committed to providing a safe and healthy environment for study and work. Because some health and safety circumstances are beyond our control, we ask that you become familiar with the SIUC Emergency Response Plan and Building Emergency Response Team (BERT) program. Emergency response information is available on posters in buildings on campus, available on the BERT’s website at www.bert.siu.edu, Department of Public Safety’s website www.dps.siu.edu (disaster drop down) and the Emergency Response Guidelines pamphlet. Know how to respond to each type of emergency.

Instructors will provide guidance and direction to students in the classroom in the event of an emergency affecting your location. It is important that you follow these instructions and stay with your instructor during an evacuation or sheltering emergency. The Building Emergency Response Team will provide assistance to your instructor in evacuating the building or sheltering within the facility.