

BA 5811/4811 – CORPORATE FINANCE

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Office Hours:	Tue-Thu: 14:15-15:15 (online and strictly by appointment) https://metu.webex.com/meet/sendeniz
Course Web Page:	ODTUClass Course Page
Course Description:	
<p>This course aims in examination of some important corporate financial concepts by focusing on the techniques and methods involved in financial planning and decision making of the firm. We will deal with capital budgeting, dividend and capital structure policies of the firm, short term financial planning and management, leasing, and mergers and acquisitions. At the end of the term, students will have an understanding of these topics.</p>	
Course Student Learning Objectives: (CSLOs)	
<p>Upon successful completion of this course, students should be able to:</p> <p>Course Specific Skills:</p> <ol style="list-style-type: none"> 1. Demonstrate an understanding on the notion corporate financial concepts by focusing on the techniques and methods involved in financial planning and decision making of the firm. 2. Realize the topics related to financial policies of the firm. <p>Discipline Specific Skills:</p> <ol style="list-style-type: none"> 3. Demonstrate broad knowledge of literature and concepts on corporate finance. 4. Analyze corporate finance problems and interpret results. <p>Personal and Key Skills:</p> <ol style="list-style-type: none"> 5. Develop critical thinking on corporate finance issues. 6. Opportunity to participate in discussions. 	
Learning and Teaching Methods:	
Sessions consist of a mixture of formal lectures, in-class discussions, problem solving.	
Required Reading:	
Corporate Finance Fundamentals. S.A. Ross, R.W. Westerfield, B.D. Jordan. McGraw Hill.	
Suggested Reading:	
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Assessment and Grading:			
Form of Assessment	% Contribution	CSLOs covered by the assessment	Feedback Method
Written Examination 1	40	1-5	Written

Written Examination 2	40	1-5	Written
Unannounced quizzes	20	1-5	Written

Course Policies:

Students who sign up for this course should have completed BA2802 Principles of Finance course (or equivalent), and should have an understanding of accounting, economics, algebra and statistics. There will be two written midterm examinations. There will be no final examination in this course. Since there is no final exam in this course, a re-sit exam will not be given. No "extra" work above the aforementioned will be accepted or credited. Students are required to actively participate during the lecture hours.

STUDENT DISABILITIES: Any student, who, because of a disabling condition, may require special arrangements in order to meet course requirements, should contact the instructor as soon as possible. Students should present the appropriate documentation from the university's Disability Support Office (Engelsiz ODTÜ Birimi, ODTÜ Kütüphanesi, Solmaz İzdemir Salonu, Tel: 210.7196; engelsiz@metu.edu.tr) verifying their disability, and outlining the special arrangements required. Please note that no accommodations will be provided to the disabled students prior to the completion of this approved University process.

ACADEMIC DISHONESTY: The Department of Business Administration has no tolerance for acts of academic dishonesty. Such acts damage the reputation of METU, the department and the BA/MBA/MS degree and demean the honest efforts of the majority of the students. The minimum penalty for an act of academic dishonesty will be a zero for that assignment or exam.

CHEATING: All university, faculty/institute, and department principles on academic honesty will be strictly enforced. The usual consequence for academic dishonesty is failure of the course and referral of the case to the Dean of the Faculty/Institute for additional disciplinary action. Examinations are individual and are to be completed without outside assistance of any sort. Persons observed cheating during examinations will receive a failing grade in the course. Homework assignments are individual, unless otherwise specified by the instructor, and are to be completed without outside assistance of any sort, as well. Persons observed cheating in their homework assignments will receive a score of zero for the portion of the semester grade that is allocated to such assignments.

PLAGIARISM: The instructor assumes that students will do their own work. By placing their names on assignments (individual or team), students are affirming that the contents are their original work. Any previous work available from files or past students, as well as materials available on the internet may be used only as a suggestive model. Violation of this provision will be considered as unethical behavior, subject to disciplinary action. If you have any doubt about the use of a specific material, see the instructor ahead of time. Any material used from outside sources should be referenced appropriately.

METU HONOR CODE

Every member of METU community adopts the following honor code as one of the core principles of academic life and strives to develop an academic environment where continuous adherence to this code is promoted.

"The members of the METU community are reliable, responsible and honorable people who embrace only the success and recognition they deserve, and act with integrity in their use, evaluation and presentation of facts, data and documents."

CIVILITY IN THE CLASSROOM: Students are expected to assist in maintaining a classroom environment which is conducive to learning. In order to assure that all students have an opportunity to gain from time spent in class, students are prohibited from making offensive remarks, reading newspapers, sleeping, or

engaging in any other form of distraction. Inappropriate behavior in classroom shall result, minimally, in a request to leave class.

Past observations showed that the METU classroom experience is improved when the following are true:

Students arrive on time. Timely arrival ensures that classes are able to start and finish at the scheduled times. Timely arrival shows respect for both fellow students and faculty and it helps to create a better learning environment by reducing avoidable distractions.

Students are fully prepared for each class. Much of the learning in this course takes place during classroom discussions. When students are not prepared, they cannot contribute to the learning process. This affects not only the individual but also the classmates who count on them.

Students respect the views and opinions of their colleagues. Disagreement and debate are encouraged; however, intolerance for the views of others is unacceptable.

STUDENT EXCUSES: In case you cannot attend one of the examinations, **if and only if you can present an official (dean's or president's office approved) excuse or METU Medical Center certified Health Report, you will be eligible to take a make-up examination.** There will be one single, comprehensive and essay type make-up examination during the final period and it will be counted towards whichever exam(s) you are missing.

KNOW YOUR RIGHTS AND RESPONSIBILITIES! <http://oidb.metu.edu.tr/en/academic-rules-and-regulations>

NOTE THE IMPORTANT DATES ON THE ACADEMIC CALENDAR!

<http://oidb.metu.edu.tr/en/academiccalendar>

The instructor assumes that students who attend the next class have understood and accepted to agree with all the requirements and rules of this course.

The following table gives the **tentative** schedule for the semester. The lectures will stress the most important material.

Tentative Course Schedule				
Month	Day	Topic	Reading/ Assignment	CSLO
March	8	Introduction to Corporate Finance	Chapter 1	1-6
March	10	Net Present Value and Other Investment Criteria	Chapter 9	1-6
March	15	Net Present Value and Other Investment Criteria	Chapter 9	1-6
March	17	Real Options	Chapter 14	1-6
March	22	Bond Valuation	Chapter 7	1-6
March	24	Stock Valuation	Chapter 8	1-6
March	29	Cost of Capital	Chapter 15	1-6
March	31	Cost of Capital	Chapter 15	1-6
April	5	Raising Capital	Chapter 16	1-6
April	7	Raising Capital	Chapter 16	1-6
April	12	Financial Leverage and Capital Structure Policy	Chapter 17	1-6
April	14	Written Exam 1		1-5
April	19	Financial Leverage and Capital Structure Policy	Chapter 17	1-6
April	21	Dividends and Dividend Policy	Chapter 18	1-6
April	26	Dividends and Dividend Policy	Chapter 18	1-6

April	28	Short-term Finance and Planning	Chapter 19	1-6
May	3	National Holiday		
May	5	Short-term Finance and Planning	Chapter 19	1-6
May	10	Cash Management	Chapter 20	1-6
May	12	Cash Management	Chapter 20	
May	17	Credit and Inventory Management	Chapter 21	1-6
May	19	National Holiday		
May	24	Credit and Inventory Management	Chapter 21	1-6
May	26	Mergers and Acquisitions	Chapter 25	1-6
May	31	Mergers and Acquisitions	Chapter 25	1-6
June	2	Leasing	Chapter 26	1-6
June	7	Leasing	Chapter 26	1-6
June	9	Written Exam 2		1-5