I GENERAL INFORMATION

Title : Corporate Finance I
Code : FINA 7101
Credits : 3
Academic term : 
Professor : 
Office hour : 
Phone number : 
Mail address : 

II DESCRIPTION

Evaluation of corporate finance theories and models and the application of finance policy including capital structure, dividends, options and derivatives and corporate restructuring.

III OBJECTIVES

At the end of the course, students should be able to:

1. Analyze the scope and reach of the finance theories.
2. Discuss the actual advances in financial theories and practices.
3. Evaluate the foundations, instruments and applications of the corporate finance.
4. Evaluate the current theories and practices related to derivatives.
5. Evaluate actual practices and theories related to corporate restructuring.

IV CONTENTS

1. The development of corporate finance.
   1.1 Normative and positive theories of corporate Finance.
   1.2 Challenges to corporate finance theories and practices.
2. Cost of capital and capital budgeting
   2.1 Risk, cost of capital and capital budgeting
   2.2 Raising capital: theory and evidence.
   2.3 Estimating the cost of capital.
3. Payout policy
   3.1 The Modigliani-Miller Propositions.
   3.2 Cash dividends
   3.3 Other payouts.
4. Equity financing and Initial Public Offerings.
   4.1 Equity financing.
   4.2 Initial Public Offerings.
6. Debt financing and liability management
   5.1 Convertible Bonds.
   5.2 Short-Term Finance and Planning.
   5.3 Leverage, maturity and priority.
7. Derivatives and option pricing.
   6.1 Strategic risk management
   6.2 Valuing flexibility
8. Corporate control and restructuring
   7.1 Mergers and acquisition.
   7.2 The motives and methods of corporate restructuring.
   7.3 Stock-Swap.
   7.4 Ethics importance in corporate control and restructuring.

V. Activities
1. Students should read the material before the discussion in class.
2. Students are required to search for some topics, literature, and financial practices in the internet to select their research questions that are part of the evaluation.
3. Presentations of the selected topics in class individually or in small groups.

VI. Evaluation

<table>
<thead>
<tr>
<th>Evaluation</th>
<th>Description</th>
<th>Points</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required research topic*</td>
<td>Literature review of a topic selected by the professor.</td>
<td>100</td>
<td>40</td>
</tr>
<tr>
<td>A free-choice topic*</td>
<td>Selected by the student and subject to the professor approval.</td>
<td>100</td>
<td>40</td>
</tr>
<tr>
<td>Presentation</td>
<td>Presentation (in groups) of the class topics</td>
<td>25</td>
<td>10</td>
</tr>
<tr>
<td>Participation</td>
<td>Class participation and feedback to groups presentation</td>
<td>25</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>250</td>
<td>100</td>
</tr>
</tbody>
</table>

*The research topics should be analyzed in a critical manner with appropriate references. Also, should satisfy the course objectives. The minimum acceptable work is 3,000 words and the maximum not to exceed 5,000 words. APA style is required.

Any inconvenience or any condition that will not enable a student to take one of the required evaluations should be discussed with the instructor before the date of the evaluation.

The following table is used to assess and evaluate presentations.

<table>
<thead>
<tr>
<th>Items / importance and achievements</th>
<th>&lt;70%</th>
<th>70-79</th>
<th>80-89</th>
<th>90+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Understanding the paper(s) summaries</td>
<td>Theory</td>
<td>Methodology</td>
<td>Contribution</td>
<td>Results</td>
</tr>
<tr>
<td>2 Adequacy Clear and logical</td>
<td>Structured</td>
<td>Use of language Clear and logical</td>
<td>Topic appropriateness For Doctoral students</td>
<td></td>
</tr>
<tr>
<td>3 Tools Adequate use</td>
<td>PowerPoint</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Further research Original suggestions</td>
<td>Examples of needed research</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Timing Adequacy</td>
<td>Use of time</td>
<td></td>
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</tr>
</tbody>
</table>
VII. SPECIAL NOTES

Auxiliary Services or Special Needs Services

Students that require special auxiliary services or special assistance must visit the office of Mr. José Rodriguez, at the University Orientation Program located at the first floor of Harris Building, at the beginning of the course or as soon as the knowledge for the need of such services is acquired.

Honesty, Fraud, and plagiarism Student General Regulation, Chapter 5

The lack of honesty, fraud, plagiarism and any other inappropriate behavior in relation to the academic work constitute major infringement sanctioned under the Student General Regulation. Major infractions, as provided by the regulation under student infringements can have as a result the suspension of the University for a defined period of time greater than a year or permanent expulsion from the University, among other sanctions.

Use of Electronic Devices

Cellular (mobile) telephones and any other electronic device that could interrupt the teaching-learning process or disrupt a milieu favorable for academic excellence will be deactivated. Critical situations will be dealt with in an appropriate manner. The use of electronic devices that permit the accessing, storing or sending of data during tests or examinations is prohibited.

VIII. RESOURCES

Recommended References


IX. BIBLIOGRAPHY


Electronic Resources
Useful Pages of the University
http://www.inter.edu
http://metro.inter.edu/
http://web.inter.edu/

Information and Technology Center of the University
http://cai.inter.edu/
http://cai.inter.edu/main_pages/econo_fina_negoci.htm
Emerald Base of Data
The Faculty of Economics and Business Administration Journal
http://ceajournal.metro.inter.edu/

External Base of Data
Yahoo financial
Security and Exchange Commission (SEC)
American Institute of Certified Public Accountant
World Bank