

**University of Wisconsin  
Finance 325: Corporation Finance Fall 2010  
Syllabus**

INSTRUCTOR:	William (“Bill”) Weld	T.A.	Tao Zhang
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OFFICE HOURS:	Tuesday & Thursday 3:00 pm - 5:00 pm and by appointment	OFFICE HOURS:	Monday & Wednesday 3:00pm - 4:30pm and by appointment

**EMAILS ADDRESSED TO ME OR TO TAO MUST HAVE “FIN 325” IN THE SUBJECT LINE.** I give top priority to you, my students, during the semester, and often ignore other emails. The “Fin 325” in the subject line is how I screen my inbox.

**Rooms and Times:**

Lecture 1	Tue. & Thu.	9:30am - 10:45am	Grainger 2170
Lecture 2	Tue. & Thu.	11:00am - 12:15pm	Grainger 2170
Lecture 3	Tue. & Thu.	1:00pm - 2:15pm	Grainger 1280
Discussion 1	Fri.	8:50am - 9:40am	Grainger 1270
Discussion 2	Fri.	9:55am - 10:45am	Grainger 1270
Discussion 3	Fri.	3:30pm - 4:20pm	Grainger 1270

<b>Important Dates:</b>	Quizzes:	As announced	(weekly)
	In-class Presentation:	Signup for date(s)	
	Exam 1:	October 8 <sup>th</sup>	in Class
	Exam 2:	November 19 <sup>th</sup>	in Class
	Project:	As announced	(weekly)
	Final Exam:	December 21 <sup>st</sup>	7:25pm

**Important Sites:** <http://courses.bus.wisc.edu>  
[http://myfinancelab.mathxl.com/login\\_finance.htm](http://myfinancelab.mathxl.com/login_finance.htm)  
course id = XL0H-W1RM-201Y-1UB2

**COURSE MATERIALS:**

Berk, Jonathan & Peter DeMarzo, Corporate Finance 2<sup>nd</sup> Edition (2010)

MyFinanceLab

My lecture notes, problem sets, practice quizzes, and practice exams. All my material will be published on the course website, <http://courses.bus.wisc.edu>

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**COURSE DESCRIPTION:**

Officially: “Development of the theory, method and analytical techniques of financial management. Techniques of capital budgeting; valuation of projects and firms; theory of capital structure; dividend policy; cost of capital; mergers and acquisitions.”

My Focus: This course will look at some of the financial choices available to firm managers, and how these choices can affect stakeholders in the firm. These choices include ownership, capital structure, payout policy and risk management.

My Approach: For most of you, this course comes close to the end of your education. This means that we get to have a bit more fun than in other introductory courses. Instead of just learning theories and formulas, I will try to show you that there are just a few basic concepts that will allow you to understand (almost) all of the interesting issues in finance.

I teach what I think is important. I will solve example problems in lecture. Problem sets will mimic the problems I solved in lecture. Quizzes will mimic the problem sets. Exams will be cumulative reviews of the problem sets. There are no graded surprises in this class.

The course will have a dual track. First, we will cover topics in corporate finance, following the textbook quite closely. Second, we apply these concepts in an extensive model of a corporation. This model will be broken into sections, and will count toward your project grade.

Finally, I think that it is very important to get familiar with reasonable numbers to attach to models and questions. This involves understanding a reasonable cost of debt, a reasonable cost of equity, what is a good proxy for “The Market”, etc. Part of learning this will be accomplished by having volunteers present a brief 5 minute market recap at the beginning of each lecture.

**PREREQUISITES:** Finance/Econ 300, Math 213 or 222, Gen Bus 304 or equiv (or con reg), & Acct I S 301

**COURSE WEBSITE:** The course website will be located at <http://courses.bus.wisc.edu>. Course materials will be posted on the website. You should print the material and bring it to class.

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**APPOINTMENTS:** Both my TA and I hold office hours, and are available by appointment. (the most effective means is via e-mail, and please remember to **PUT “FIN 325” IN THE SUBJECT LINE**). The purpose of office hours is for you to obtain help with the course material.

When you have a question, please follow this sequence. If it is a personal or private issue, please contact me directly. However, **questions about a problem or concept in the class should be posted to the social forum on our course website**. This way your fellow students can help you, and I guarantee the collective intelligence of the 100+ students taking this class exceeds my own by a huge margin. I can and will actively answer questions on the social forum. If you email me about a problem or concept in class, I will copy and paste your question in the social forum, and answer it there.

Please **DO NOT WAIT UNTIL THE END OF THE COURSE TO COME TO OFFICE HOURS FOR HELP**. There are plenty of opportunities to get feedback on how you are doing (e.g. quizzes). I would rather see you early and often for help.

**EXPECTATIONS:** You are adults. I understand that there may be times that other things will have a higher priority than this class. I try to make it very easy to stay caught up by posting online everything that we do in lecture.

There are regular problem sets and quizzes. These provide fast and frequent feedback on whether you understand the material at the level that I expect of you. It also allows me to judge the effectiveness of my teaching, and adjust as we go.

I will not collect or incorporate your problem sets into your grades. However, I am more likely to give you the benefit of the doubt in grading if I see that you have been doing the problems assigned on MyFinanceLab in a timely manner.

Please be respectful of the other students. If you need to leave your cell phone on, please set it to silent mode. If you need to use a laptop, please sit in the back of the class.

Please prepare a legible name card and put it up in front of you during every lecture.

Please participate actively, and ask questions whenever something is not clear. It takes time to learn new concepts, and asking questions helps. You can ask questions in class, as well as on the social forum of the website. **The social forum was an extremely effective tool last year for the students that used it.**

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<b>GRADES:</b>	Quizzes:	10%
	Exam 1:	15%
	Exam 2:	15%
	Project:	20%
	Final:	20%
	Class Participation:	20%

Exams and quizzes will be closed book and closed notes. You may only bring pens, pencils, erasers, and a calculator. I will provide you with a list of useful formulas. You must turn off your cell phones and computers during quizzes and exams. If I see you looking at a cell phone or computer during an exam, you will get a zero.

**Quizzes & exams:** I provide practice problems before each quiz and exam. If you do well on the practice problems, you will do well on the exams.

The quizzes are very short. There are 10 scheduled quizzes. There are no makeup quizzes. However, you can drop your two lowest quiz grades, so missing a quiz is not the end of the world.

**Project:** We will cover the project in detail in class. Do the mini project assignments on time, so that you can get help. I am not very sympathetic to students who do no work on the project until the last moment, and then find themselves completely lost.

**Class Participation:** You will be asked to do at least one in-class presentation during the semester. This requirement can be fulfilled by either doing a market summary report, or by presenting a mini assignment from the project, or by presenting a special mini assignment.

Class participation also includes weight on your attendance, and your contribution to the class. A large component of this will be determined by your activity on the social forums.

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**How to Register and Enroll in Your MyFinanceLab Course**

Welcome to MyFinanceLab! Your instructor has set up a MyFinanceLab course for you.

To join your instructor's course, please complete the following **two** steps:

1. **REGISTER** for MyFinanceLab, and,
2. **ENROLL** in your instructor's course

**To Register for MyFinanceLab**

To register, you will need a **student access code** and a **course ID**. If you don't have an access kit, you can purchase access online at <http://www.myfinancelab.com>. You will have the choice to purchase access with or without a full etext. Once enrolled in your professor's course, you will also have the option to purchase a discounted version of your text.

**Textbook:** Berk/DeMarzo: *Corporate Finance 2e*

**Course Name:** Fin 325 Fall 2010

**Course ID:** XL0H-W1RM-201Y-1UB2

**Steps to Register:**

1. Go to <http://www.myfinancelab.com> and click the Student button, in the Register section.
2. Enter the course ID, XL0H-W1RM-201Y-1UB2 and click Next.
3. Choose to register an access code (came with your new book) or purchase access if you don't have an access kit/code.
4. Click the button to proceed to registration.
5. Follow the instructions to create your account.
6. Click the link to login. You'll be directed to <http://www.myfinancelab.com>, where you can enter the user name and password you just created. Click the login button.
7. The first time you enter the site you'll be asked to enter your course ID. Enter your course ID, XL0H-W1RM-201Y-1UB2.
8. Be sure to click on the Browser Check link on the Announcements page or in the upper right of the screen the first time you login and anytime you use a new computer. This wizard will walk you through the installation of the software you will need to use the MyFinanceLab resources (such as Flash).

**Note:** the software may already be installed in the school lab, so in that case check first with your lab administrator.

To log into MyFinanceLab

1. Go to <http://www.myfinancelab.com>
2. Enter the user name and password you just created, and click Log In (or hit the enter key).  
If you purchased access, visit the **Textbook Resources** inside your Instructor's Course for additional purchase options.

**Note:** If you are taking two MyFinanceLab courses simultaneously, you will need two separate login accounts.

**Need Help?** For assistance, please visit <http://www.myfinancelab.com/support>.

**Finance 325: Corporation Finance Fall 2010 Syllabus**

**Preliminary Schedule**

	Mon	Tues	Wed	Thurs	Fri
<b>Week 0</b>				Sept. 02 Intro Chapters 1, 2, & 3	<b>Sept. 03</b> <i>No Discussion Happy Labor Day!</i>
<b>Week 1</b>		Sept. 07 Chapter 4		Sept. 09 Chapter 5	Sept. 10 Quiz 1, Game 1, Project 1
<b>Week 2</b>		Sept. 14 Chapter 6		Sept. 16 Chapter 7	Sept. 17 Quiz 2, Game 2, Project 2
<b>Week 3</b>		Sept. 21 Chapter 8		Sept. 23 Chapter 9	Sept. 24 Quiz 3, Game 3, Project 3
<b>Week 4</b>		Sept. 28 Chapter 10		Sept. 30 Chapter 11	Oct. 01 Quiz 4, Game 4, Project 4
<b>Week 5</b>		Oct. 05 Chapter 12		<b>Oct. 07</b> <i>Exam Review</i>	<b>Oct. 08</b> <b>Exam 1</b>
<b>Week 7</b>		Oct. 12 Chapter 14		Oct. 14 Chapter 15	Oct. 15 Quiz 5, Game 5, Project 5
<b>Week 8</b>		Oct. 19 Chapter 16		Oct. 21 Chapter 17	Oct. 22 Quiz 6, Game 6, Project 6
<b>Week 9</b>		Oct. 26 Chapter 18		Oct. 28 Chapter 19	<b>Oct. 29</b> <i>No Discussion Happy Halloween</i>
<b>Week 10</b>		Nov. 02 Chapter 20		Nov. 04 Chapter 21	Nov. 05 Quiz 7, Game 7, Project 7
<b>Week 11</b>		Nov. 09 Chapter 22		Nov. 11 Chapter 23	Nov. 12 Quiz 8, Game 8, Project 8
<b>Week 12</b>		Nov. 16 Chapter 24		<b>Nov. 17</b> <i>Exam Review</i>	<b>Nov. 19</b> <b>Exam 2</b>
<b>Week 13</b>		Nov. 23 Chapter 25		<b>Nov. 25</b> <i>No Class Happy Thanksgiving!</i>	<b>Nov. 26</b> <i>No Discussion Happy Thanksgiving!</i>
<b>Week 14</b>		Nov. 30 Chapter 26		Dec. 02 Chapter 27	Dec. 03 Quiz 9, Game 9, Project 9
<b>Week 15</b>		Dec. 07 Chapter 28		Dec. 08 Chapter 29	Dec. 09 Quiz 10, Game 10, Project 10
<b>Week 16</b>		Dec. 14 Personal Finance			
<b>Week 17</b>		Dec. 21 <b>Final Exam 7:25pm</b>			