Hunter College
City University of New York
Department of Economics
Corporate Finance Eco 36500-01 (2457)
Syllabus
Fall 2024

Prof. A. Vivette Ancona
Vivette.ancona@hunter.cuny.edu

MoTh 11:30AM - 12:45PM
Location: North Bldg 531

Zoom Class link
https://us02web.zoom.us/j/89669911132?pwd=dEVaR2dSREpKSk1Ja0NiNnIyTjBkUT09

Zoom Office Hours: Tuesdays 4:00-5:00PM and, other times by appointment through e-mail.
Office hours link on Zoom:
https://us02web.zoom.us/j/83037637129?pwd=ajhROGhiTVQ3S1pUS0h3aWFLWXc0QT09

Course Materials

Required Text: Brealey, Myers, Allen & Edmans: *Principles of Corporate Finance*, 14th Ed. McGraw-Hill, 2023
Required Instructional technologies: *Connect* computer-aided assignments
Blackboard
Financial calculator (or scientific calculator capable of exponentials)
Zoom
You will need a *computer or laptop* to access and create *Word, Powerpoint, Excel and pdfs.*
Please bring your laptop to class.

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There are several different ways of accessing the text book and *Connect.* The most economical way is to purchase an access code for *Connec*t for the semester. Connect contains an e-book version of the text. **I have negotiated a discounted price for this class ($67.00) which you can obtain on this link:**
https://connect.mheducation.com/class/v-ancona-fall-2024
The link will also allow you to register for the class. Please do so right away. Courtesy access is valid for about two weeks, after which you will be required to pay. If you have trouble with registration, please contact Customer Support at **http://bit.ly/StudentRegistration.**

Recommended: The Wall Street Journal and/or The New York Times and/or Barron's and/or websites such as Bloomberg, Yahoo Finance. Both the NY Times and Wall Street Journal provide free online subscriptions to Hunter students. Please access Hunter Libraries for more information

Course Description

This course is about how corporations make their more important decisions: how to decide what to invest in and how to finance that investment. The objective of this course is to provide you with the basics of the skill set required to make these important decisions. Much of the skill set is also applicable to personal financial decisions.

Learning Objectives

You will learn to

- Identify the basic principles of financial management and apply them to a manager's main decisions
- Apply quantitative techniques for calculating the time value of money, net present value, and discounted cash flow in analyzing investment projects and companies, both by corporations and by individuals.
- Explain and apply the principles of risk, return, and opportunity cost;

- Apply numerical techniques for valuing stocks and bonds;
- Understand the CAPM model's risk/return nexus, and the assumptions underlying it,
- Use the CAPM model to determine the weighted average cost of capital; and
- Value a company or project using various quantitative methods

Prerequisites ECO200 Microeconomics and ECO221 Economic Statistics each with a grade of C or better

Preliminary Course Calendar and Content

(Changes to the listing below will be announced in class and posted on Blackboard.)

Topic	**Reading**
Course Introduction	Ch. 1
Time Value of Money: present/future value calculation	Ch. 2
Interest Rates and Bond Valuation	Ch. 3
Stock Valuation, Discounted Cash flow valuation	Ch. 4
Investment Valuation: Net Present Value & Alternative Rules	Ch. 5, 6
Return & Risk: Statistics	Ch. 7
Return & Risk: Portfolio Theory and Capital Asset Pricing Model	Ch. 8
Efficient Markets and Behavioral Finance	Ch. 12
Corporate Financing, Capital Structure	Ch. 13
Financing and Valuation, After-Tax Weighted-Average Cost of Capital	Ch.18
Agency Problems and Corporate Governance	Ch. 19
Options	Ch. 21

Important Dates

Thursday August 29, 2024	First class
Monday Sept 2	No class
Thursday Oct. 3	No class
Monday October 14	No class
Tuesday October 15	Hunter follows Monday schedule
Tuesday October 15	Topic/brief outline of group presentation due
Monday October 21	Midterm exam
Thursday November 28	No class
Sunday December 1	Group Presentation powerpoints due by email
Thursday December 12	Last class
Monday December 16	Final exam 11:30AM-1:30PM

Grading Method and Essential Policy Information

Grading will be based on:

- final exam (25%)
- midterm exam (20%)
- Connect Problem sets (35%)
- Presentation (10%)
- Attendance/Participation (5%)
- In class examples (5%)

Letter grades will be determined only at the end of the course from a curve based on the weighted average of the numerical grades. .

Midterm and Final Exam dates are noted above. There will be no make-up midterm exams. Students who have a valid excuse for missing the midterm exam and who provide written documentation will have their other grades re-weighted accordingly. The material covered in each exam will be announced in class and on Blackboard. In each case, students will be responsible for all materials covered in class and all assigned text chapters.

Final exam will be on Thursday December 19, (see calendar). Students who miss the final exam will receive a zero for the exam except in valid and documented circumstances where they may be granted an INC and a make-up final during the subsequent semester or have their other grades reweighted at my discretion.

Class attendance and participation and **in-class examples** completion are each 5% of your grade. Your participation in class will be documented. Your completion of the in class examples (polls) will be separately documented. .

Weekly **discussion boards** will be open for students' comments and questions. All posts (whether questions, answers to questions, comments, news items relevant to the topic, etc) will count towards your participation grade.

Group Presentation Groups of 4 or 5 students will be formed.. Each group will prepare a short **presentation** on a topic of their choice. Groups should let me know their choice of topic by October 15. Presentation PowerPoints should be sent to me by December 1. More information about these presentations will be available on BB.

Connect Problem Sets will be posted **weekly (approximately**) on **Connect for which you MUST register**. The posted deadlines are firm and you will receive no credit for assignments submitted even one second late. Therefore, do not wait until the last minute to submit your assignments. Extension requests cannot be granted.

Note; If you have not attended class, submitted an assignment, registered for online homework or contacted me by the time the College verifies enrollment, you will be dropped from the course.

Communication

Please read the **Weekly Coursework** on Blackboard. It is designed to provide you with what you need to learn each week, what you need to do, what the deadlines are etc.

Weekly coursework also includes my lecture slides, which I will be sharing with the class.

I also want you to know that I like to hear from you. You can reach me by e-mail. I will usually get back to you within 24 hours during the week and 48 hours on week-ends (and often less than that). If you wish to schedule an appointment with me, other than during office hours, please let me know by e-mail.

Resources

Tutoring: The economics department operates a tutoring center, which is staffed by teaching assistants. Tutoring hours are TBA

Hunter College Policy on Academic Integrity

"Hunter College regards acts of academic dishonesty (e.g., plagiarism, cheating on examinations, obtaining unfair advantage, and falsification of records and official documents) as serious offenses against the values of intellectual honesty. The College is committed to enforcing the CUNY Policy on Academic Integrity and will pursue cases of academic dishonesty according to the Hunter College Academic Integrity Procedures

ADA Policy

"In compliance with the American Disability Act of 1990 (ADA) and with Section 504 of the Rehabilitation Act of 1973, Hunter College is committed to ensuring educational parity and accommodations for all students with documented disabilities and/or medical conditions. It is recommended that all students with documented disabilities (Emotional, Medical, Physical, and/or Learning) consult the Office of AccessABILITY, located in Room E1214B, to secure necessary academic accommodations. For further information and assistance, please call: (212) 772-4857 or (212) 650-3230."

Hunter College Policy on Sexual Misconduct

"In compliance with the CUNY Policy on Sexual Misconduct, Hunter College reaffirms the prohibition of any sexual misconduct, which includes sexual violence, sexual harassment, and gender-based harassment retaliation against students, employees, or visitors, as well as certain intimate relationships. Students who have experienced any form of sexual violence on or off campus (including CUNY-sponsored trips and events) are entitled to the rights outlined in the Bill of Rights for Hunter College.

a. Sexual Violence: Students are strongly encouraged to immediately report the incident by calling 911, contacting NYPD Special Victims Division Hotline (646-610-7272) or their local police precinct, or contacting the College's Public Safety Office (212-772-4444).

b. All Other Forms of Sexual Misconduct: Students are also encouraged to contact the College's Title IX Campus Coordinator, Dean John Rose (jtrose@hunter.cuny.edu or 212-650-3262) or Colleen Barry (colleen.barry@hunter.cuny.edu or 212-772-4534) and seek complimentary services through the Counseling and Wellness Services Office, Hunter East 1123.

CUNY Policy on Sexual Misconduct Link:
https://www.cuny.edu/wp-content/uploads/sites/4/pageassets/about/administration/offices/ovsa/policies/Sexual-misconduct-8.30.18-PSM-2018-005.pdf

In person classes

1. Please do not come to class in person if you are not feeling well. Please let me know and you will not be penalized. If you feel up to attending class on Zoom, you may still earn attendance/participation points.
2. **Please remain masked at all times in the classroom, as a courtesy to your classmates and to me.**
3. You may not eat or drink in the classroom.

Student evaluations

Students are expected to fill out teaching evaluation questionnaires at dates determined by Hunter's administration. Students who send me a screen shot of confirmation of their filled-out questionnaires will receive extra credit.

Otherwise, there is no available extra credit.