

FINC 4130 ADVANCED CORPORATE FINANCE (3 credit hours)

Elmira College

SPRING 2025

Required Text:

1. *Principles of Corporate Finance*, by Richard A. Brealey, Stewart C. Myers, and Franklin Allen, 13th edition, 2019.
2. *Corporate Finance*, by Stephen A. Ross, Randolph W. Westerfield, and Jeffrey F. Jaffe, 12th edition (2019).

Pre-requisites: FINC 3500 Corporate Finance

Course Description

The goal of this course is to develop a deep understanding of the theoretical debates and practical implications surrounding corporate financial decision-making, ultimately enabling the formulation of effective investment and financing strategies. Key topics will encompass the trade-offs between debt and equity financing, optimal dividend policy and taxation, firm governance and the role of shareholders, the intricacies of initial public offerings and seasoned equity offerings, the strategic use of convertible securities and warrants, and mergers and acquisitions. Throughout the course, we will emphasize how these concepts are applied in real-world scenarios to help managers, investors, and entrepreneurs navigate the complexities of corporate finance and make informed decisions.

Course Objectives and Goals

- Understand the complexities of mergers and acquisitions.
- Acquire a comprehensive understanding of the global economic trends and assess how fluctuations in interest rates and regulatory shifts will influence your corporate financial strategies.
- Evaluate and contrast diverse models for making investment decisions in uncertain environments.
- Illustrate the utilization of techniques pertinent to corporate financial management and the formulation of strategic development plans..
- Critically analyze the theoretical research in corporate finance.

Evaluation of Performance

Your grade will be based upon your performance on exams, assignments, and participation.

4 Case Studies and Assignments	30%
2 Quizzes	20%
2 Group Work	20%
Midterm Exam	10%

Final Exam	20%
Total	100%

Grades will be assigned as follows:

A 93% and above	B- 80 - 82%	D+ 67 - 69%
A- 90 - 92%	C+ 77 - 79%	D 63 - 66%
B+ 87 - 89%	C 73 - 76%	D- 60 - 62%
B 83 - 86%	C- 70 - 72%	F 59% or below

Withdrawal Policy: Please see Elmira College Bulletin for information on this policy.

Academic Honesty: Please read the section on Academic Honesty in the **Code of Conduct**. Briefly, academic dishonesty includes: cheating, fabrication, facilitating academic dishonesty, and plagiarism. Ask if you have any questions on whether something constitutes as academic dishonesty. All work must be original and new. Past assignments from current or other courses will not be accepted. Academic dishonesty will not be tolerated. It will result in zero on the assignment, and a report will be filed with the school. Continued practice will result in failure of the class. Institutional penalties may also apply with repeated acts of academic honesty.

Student Responsibility:

- It is your responsibility to keep track of assignments and due dates.
- You should ask questions concerning assignments and lectures, if you need any clarifications.
- If you are struggling in class, have concerns, and/or unsure about expectations, please stop by during office hours or make an appointment for another time.

Tentative Schedule of Topics

<u>Topic</u>	<u>Modules</u>	<u>Tasks & Evaluations</u>
Capital Structure Theories	Module 1	
The Trade-Off Theory of Capital Structure	Module 2	
The Pecking Order Theory of Capital Structure	Module 3	Case Study Assignment 1
Asymmetric Information and Its Impact on Financing Decisions	Module 4	
Financial Distress: Costs and Consequences	Module 5	Quiz 1
Agency Costs: The Role of Debt and Equity in Mitigating Managerial Incentives	Module 6	Group Work
Optimal Dividend Policy: Theories and Empirical Evidence	Module 7	Case Study Assignment 2
Mergers and Acquisitions	Module 8	
Firm Governance and the Role of Shareholders	Module 9	Midterm Exam
Taxation and Corporate Dividend Policy	Module 10	
Initial Public Offerings (IPOs) and Seasoned Equity Offerings	Module 11	Case Study Assignment 3
Seasoned Equity Offerings: Motives and Market Impact	Module 12	

Convertible Securities and Warrants	Module 13	Quiz 2
Leveraged Buyouts (LBOs)	Module 14	
Corporate Governance and the Role of Institutional Investors	Module 15	Case Study Assignment 4
Corporate Social Responsibility and Its Impact on Firm Value and Financing	Module 16	Group Work
International Corporate Finance and Global Trends	Module 17	Final Exam