PRELIMINARY SYLLABUS

COURSE DESCRIPTION

This is an introductory, but challenging, course in which students are exposed to various topics concerning the financial management of corporations. It provides students with knowledge of fundamental concepts and with the basic analytical and conceptual skills required in the modern practice of corporate finance.

LEARNING OBJECTIVES

- Describe how domestic financial markets work and how firms obtain funds in the financial markets and at what cost.
- Apply basic valuation concepts to valuing various types of cash flow streams.
- Explain what determines the value of a firm’s securities and how management can influence these values.
- Measure firm risk and its determinants; and describe how risk affects firm value.
- Analyze a firm’s performance to determine its strengths and weaknesses, and use financial analysis to make suggestions for improving performance.
- Forecast a firm’s financial needs.
- Point out the various methods for analyzing projects, apply them, and specify what to do if there are conflicting recommendations.
- Identify and explain the tradeoffs involved and the techniques used to manage net working capital.
- Explain what leverage is, how a firm influences its leverage, and how it affects value.

COURSE REQUIREMENTS AND GRADING

The course requirements are as follows:

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<tr>
<th>Requirement</th>
<th>Unit Value</th>
<th>Total Value</th>
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<tbody>
<tr>
<td>HW/Quizzes (4)</td>
<td>5%</td>
<td>20%</td>
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<tr>
<td>Exam I</td>
<td>20%</td>
<td>20%</td>
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<td>Exam II</td>
<td>25%</td>
<td>25%</td>
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<tr>
<td>FINAL EXAM</td>
<td>35%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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In cases of extraordinary class participation (answering questions, posing discussion points), an additional 5% may be awarded.
Course Readings (Required):


Course Outline

Week 1 (Week of 8/27):
The Financial Markets: Process & Players
Course Outline & Introduction
Goals & Governance of the Corporation; Financial Markets & Institutions
Readings: FCF Ch.1-2

Week 2 (Week of 9/3):
HOLIDAY

Week 3 (Week of 9/10):
Financial Accounting and the Time Value of Money
Accounting & Finance; Measuring Corporate Performance; Time Value of Money
Readings: FCF Ch.3-5

Week 4 (Week of 9/17):
Bond Valuation
How and Why Firms Issue Stocks; Determining the Value of Stocks
Readings: FCF Ch.7

Week 5 (Week of 9/24):
Stock Valuation
How and Why Firms Issue Stocks; Determining the Value of Stocks
Readings: FCF Ch.8

Week 6 (Week of 10/1):
Exam I

Week 7 (Week of 10/8):
Valuation Tools in Corporate Finance
Net Present Value & Other Investment Criteria; Using Discounted Cash Flow (DCF)
Analysis to Make Investment Decisions
Readings: FCF Ch.8-9
Week 8 (Week of 10/15):
Project Analysis
Analyzing Projects; Introduction to Risk & Return
Readings: FCF Ch.10-11

Week 9 (Week of 10/22):
Risk & Return and the Cost of Capital
Risk, Return, & the Opportunity Cost of Capital; Capital Budgeting Concepts
Readings: FCF Ch.11-12

Week 10 (Week of 10/29):
The Weighted Average Cost of Capital & Company Valuation
Measuring the Weighted Average Cost of Capital (WACC); its role in Valuation
Readings: FCF Ch.13

Week 11 (Week of 11/5):
Exam II

Week 12 (Week of 11/12):
HOLIDAY

Week 13 (Week of 11/19):
Corporation Finance; How Corporations Raise VC and Issue Securities
Corporate Finance; Capital Markets; the Flow of Funds
Readings: FCF Ch.14-15

Week 14 (Week of 11/26):
Corporate Financial Policy
Debt Policy; Leverage Decisions; Dividend Payout Decisions
Readings: FCF Ch. 16-17

Week 15 (Week of 12/3):
Working Capital Management
Financing Net Working Capital; Optimizing Cash Flow
Readings: FCF Ch.20

Week 16 (Week of 12/10):
FINAL EXAMINATION
About Your Instructor:

Professor Sury is an adjunct Professor of Finance at San Diego State University and the Executive Director of the SIFIRM Institute for Financial Innovation & Risk Management—a foundation that forms and supports initiatives that bring together the most innovative scholars (including Nobel Laureates), substantial investors, and practitioners in financial economics to solve problems in risk management, portfolio optimization, and behavioral finance.

Prior to SDSU and SIFIRM, Professor Sury served as the Dean's Executive Professor of Finance at Santa Clara University and continues as a Visiting Scholar and Adjunct Professor of Economics at the University of California, where he has taught investment theory, corporate finance, applied portfolio management, and endowment management. He is the recipient of numerous teaching and scholarly accolades, including the DePaul University Seiden Award, Santa Clara University’s ACE Outstanding Faculty Award, and the Leavey School of Business Extraordinary Faculty Award. In addition, he served as principal faculty advisor for Santa Clara University’s delegation to the California Venture Capital Investment Competition, which won the highly coveted Entrepreneur's Choice Award in 2011.

Professor Sury also serves as an Executive Advisory Board Member of the University of California’s proposed School of Management in Silicon Valley, the Arditti Center for Risk Management in Chicago, the Sury Initiative for Global Finance and International Risk Management (SIGFIRM), Opal’s Wealth Management Forums, and the UCSC Center for International Economics.

As an internationally recognized expert in the fields of portfolio theory and risk management, Professor Sury is a frequently invited speaker at various prominent venues, including for the Opal Financial Forums, the CFA Institute, Financial Research Associates, QuantInvest, Wealth Management Summit, Private Banking India (Chair), Circle of Finance Opportunities, Terrapinn, and the University of Chicago. His research on the optimization of traditional and alternative investments is featured in the highly acclaimed anthology, “Essential Readings in Applied Financial Economics.” Professor Sury has been quoted as an expert source in Bloomberg, Wealth Manager Magazine, MarketWatch, Fund Strategy Magazine, Lipper, MindWorks, San Jose Business Journal, Crain’s Chicago Business, and Hedgeworld, among others. His current research interests include alpha identification and the disintermediation of non-value added investment managers, with proprietary techniques and strategies he pioneered in the late 1990s and early 2000s.

Over the past two decades, Professor Sury has served as a trusted adviser to some of the nation's wealthiest family groups and private organizations, including nearly a dozen of the Forbes 400. Prior to retiring from the investment management industry, Professor Sury organized and led a nationally ranked multi-billion dollar wealth management firm (as rated by Wealth Manager Magazine, Financial Advisor Magazine, and the Bloomberg Wealth Manager Survey) and a highly respected global institutional broker dealer organization. Over the years, his professional investment R&D teams—comprised of innovative researchers with Ph.D.’s and other advanced degrees across disciplines—have developed state-of-the-art techniques and strategies for client-optimized portfolio management and best trade execution.

In the 1990's, he also built and led one of the most successful and fastest growing wealth management practices as a Vice President at Goldman, Sachs & Co., where he advised a niche group of prominent, ultra-wealthy clients representing several billion dollars in investment assets spanning equities, fixed
income, and alternative investments. During his tenure at Goldman Sachs, Professor Sury also taught several classes of incoming Goldman Sachs Financial Analysts on topics ranging from portfolio analysis to financial accounting.

Professor Sury had previously served in both special advisory and enforcement capacities for federal/local government agencies (Organized Crime Task Force, Austin Police Department, and the Santa Clara Co. District Attorney’s CID in Silicon Valley; with appropriate law enforcement sensitive background investigation/security clearances), and also held technical positions with International Business Machines (IBM), Lockheed Missiles & Space Co. (C3I and SSD), and the MCC R&D Consortium. For his achievements in these roles, he has been highlighted in the media and awarded a variety of honors, among them the prestigious IBM Austin Excellence Award, US Air Force Most Outstanding (Research) Project--Smartex, Lockheed’s Space Systems Division Commendation, Lockheed Missiles & Space Co. Award Letter (for efforts on the 1987 USAF Air Defense Initiative), and the SCC District Attorney’s Letter (for service in the newly formed, elite High Technology/Economic Crimes Unit). In 2003, Professor Sury was featured in Crain's Chicago Business "40 Under 40: Chicago's Rising Stars," for his professional accomplishments.

Professor Sury received his MBA (High Honors & Beta Gamma Sigma) in Finance & Statistics from the University of Chicago’s Graduate School of Business. He earned his undergraduate degree in Economics (High Honors & Phi Beta Kappa) from the University of California, where he concurrently held teaching assistantships in Macroeconomic Theory and Statistical Analysis. Professor Sury also attended the San Jose Police Academy; and prior to graduate school, completed reserve officer training (Level III) at the South Bay Criminal Justice Training Center, where he was certified by the California Commission on Peace Officer Standards & Training for “Powers of Arrest” and law enforcement firearms proficiency.

On a personal note, Professor Sury enjoys giving back to the community, through such efforts as Junior Achievement, Habitat for Humanity, Starlight Starbright Children’s Foundation, and the South Shore Drill Team. He has also served on the Board of Directors of the Medical Research Institute Council of Children’s Memorial Hospital, and the GSB CEO Roundtable. Based in part on his experience in law enforcement (criminal investigation), he currently serves on the Santa Clara Co. Sheriff’s Advisory Board, was appointed as a Santa Clara Co. Deputy Sheriff (Honorary), and previously served on the Executive Committee of the San Jose Police Officer Association's Charitable Foundation.