Rutgers Business School. New Brunswick

SPRING 2010 SYLLABUS

22:390:605

ADVANCED FINANCIAL MANAGEMENT

Section 60  W 6:40- 9:30 PM

Instructor
Dr. Alexander Amati

Office: J.Levin Building, Room 217 D
Office Hours: Mon, Tue, Wed 5:00 – 6:00 PM, and by appointment.
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Course Overview & Objectives  This course exposes students to issues in corporate decision making and value creation with respect to capital budgeting, capital structure, dividend policy, mergers and acquisitions, aspects of international finance and risk management. In addition to meeting the academic pre-requisite for the course, students are assumed skilled in using Excel as well as in using a financial calculator. Attendance is required.

Course Material  The main textbook we shall use this semester is the 9th edition of Corporate Finance by Ross, Westerfield, Jaffe. Additional reading material will be distributed in class. Also, three case studies will be assigned at a later date in class.

Course Outline  Some topics may take longer than anticipated and some shorter but we will follow the order of these topics. Some modifications may develop as the course progresses.

Topic 1  Capital budgeting: Making Capital investment Decisions
Topic 2  Capital Structure: Long-Term Financial Policy and Dividend Policy
Topic 3  Cash Management: Short-Term Financial Planning and Management
Topic 4  Corporate Growth
Topic 5  Options and Corporate Finance
Topic 6  International Corporate Finance
Topic 7  Risk Management
Topic 8  Mergers and Acquisitions
**Grading**

Your grade for this course will be determined as follows:

- **Homework** 10% On Pass/Fail basis
- **Grill 1** 15%
- **Grill 2** 15%
- **Comprehensive Final Exam** 60%

You should consider homework assignments as your KEY to success in this course. Let $z$ be the percent of exam questions taken directly from your homework assignments with minor cosmetic alterations. The distribution of $z$ in the exams is as follows:

- **In Grill 1 & 2** $75 \leq z \leq 100$
- **In Final Exam** $50 \leq z \leq 100$

Your course letter grade is likely to be determined as follows:

- A>94, B+>87, B>84, C+>77, C>74, D>60, F<60

**PROTOCOLS**

**Assignments’ protocol:** Homework assignments earn points ONLY if turned in on due date. Unless told otherwise, assignments must be turned in through Blackboard Drop Box. If I require a physical document I will tell you so. In that case, assignments must be typed on white letter-size paper (NO handwriting anywhere on the assignment), double spacing, New Times Roman font, Size 12.

**Class protocol:** The teaching method emphasized throughout the semester is “learning by problem solving”, that is we solve problems during the lectures, and most of your homework and exams are problem solving. As a result,

(i) Class participation is crucial: you are expected to attend and you are responsible for every problem/question solved/answered, even verbally, in class;

(ii) Be sure you have your financial calculator with you at all lectures. If you don’t have one, buy one. You will need it in class, for assignments, and for exams. Be sure it is a financial calculator. I recommend the BA II Plus Professional. Any other calculator needs to be approved early on in the semester, by writing/email, before it is admitted for use in exams. **Programmable calculators are not accepted during exams.**

**Exam protocol**

**Exam procedure** All electronic devices must be turned OFF completely. You cannot check your cell phone once the exam has started. You cannot exit the room once the exam has started. Nothing is allowed on your table except an authorized calculator and a pen.

**Exam Policy** As a rule, I do not give make-up exams. If you miss an exam and I do not accept your excuse, your grade for that exam will be zero. Please note that missing the Final
exam results in failing the course. In the rare case in which I may grant you a make-up exam, you acknowledge that I reserve the right to change the format and the content of your make-up exam.

**Office Hours protocol**  My office hours are as listed above. If you cannot make it during these hours you are welcome to schedule an appointment. Please note that

(i)  I do not answer questions regarding assignment/course material by phone or email;

(ii) I do not discuss exam material during office hours on scheduled exam days.

**Email protocol:** I receive 100s of emails daily. If you want me to answer your email, be sure to follow email protocol, which is: Start the subject line with the course number, 605 for this class, followed by S10 for Spring 2010, followed by an underscore followed by the subject matter. This will insure that your email is filed properly. Example:

Subject :  605S10_ Absence, ..etc.

**Disabled Students** If you consider yourself to be disabled, you must communicate directly with the Dean’s office by the end of the second week of classes (before any examinations, projects, etc. which may require special consideration). The Dean’s office will determine the nature of the disability and the necessary accommodations, and will inform me.

**Student Athletes** Student athletes on recognized Rutgers University teams participating in inter-collegiate contests who expect to miss class and/or examinations due to events which conflict with class must inform the instructor of the dates on which those events will occur in writing by the end of the second week of classes. I will forward those letters to the Dean’s office for verification.