

Corporate Finance
Finance 100/611
The Wharton School, University of Pennsylvania
Summer 2021

Course Description

The purpose of this course is to introduce techniques of financial analysis, with applications to corporate finance. The concepts learned in Finance 100 are the foundation for all elective finance courses. The topics covered include: (1) time value of money and the net present value rule, (2) capital budgeting decisions, (3) portfolio choice, (4) valuation of bonds and stocks, (5) corporate financing decisions, and (6) options.

Class Information

Times: MW 4:30-8:20 pm

Location: Online on Zoom

Instructor

Begum Ipek Yavuz

Email: begum@wharton.upenn.edu

Office Hours: Mondays, 11am-12pm

Teaching Assistant

Aimee Cheng

Email: xingyc@wharton.upenn.edu

Office Hours: Tuesdays and Thursdays, 3-4pm

Zoom Links

The Zoom links for the classes and office hours are under the "Zoom" tab on Canvas.

Classes will be recorded and posted under the "Class Recordings" tab on Canvas.

Course Material

- Canvas has the lecture slides, links to class, class recordings and office hours, quizzes, practice questions. Please go through it carefully so you know what is there.
- All official announcement regarding the class will be done on Canvas.
- Recommended textbook: Corporate Finance by Jonathan Berk and Peter DeMarzo, 5th ed., Pearson - Prentice Hall
- Quiz and exam problems will require the use of Excel (or other spreadsheet program) or a financial calculator.

Readings

The class schedule shows the recommended readings in the textbook that correspond to that day's material.

I will only test you on material that we explicitly cover in the lectures and material posted on Canvas. Still, if you need a reference book, I recommend Berk and DeMarzo because in my opinion it is a very good and useful book, and not too long winded.

Grading

Grades will be based on the final and midterm exams (they worth 45% and 35%, respectively) and two quizzes (20%).

Exams:

There is one Midterm exam and one Final exam. The Midterm and the Final can be taken at any time in the allowed exam window, but once you start you will have 120 (consecutive) minutes to complete each exam. Once you start the exam, you cannot pause it and restart it at a later stage. Exams will be performed online within Canvas platform. There will be **no** makeups of the midterm exam or final exam, except in extenuating circumstances covered by university policy (i.e., medical emergencies). The syllabus shows the exam schedule—so schedule your plans not to conflict with them. I am not responsible for the date of the final exam, it is decided solely by the university.

Exam Schedule

- Midterm: Available from 4.30 pm EST on June 14th, until 4.30 pm EST on June 15th.
- Final: Available from 4.30 pm EST on June 30th, until 4.30 pm EST on July 1st.

Both the Midterm and the Final need to be completed before the end of the assigned window. You will have 2 hours to complete the exams once you start. Therefore you should start the exam at least 2 hours before the end of exam window.

Quizzes:

There are two quizzes. They can be taken at any time in the allowed quiz window, but once you start you will have 60 (consecutive) minutes to complete each quiz. Once you start the quiz, you cannot pause it and restart it at a later stage. Quizzes will be performed online within Canvas platform. There will be **no** makeups of the quizzes, except in extenuating circumstances covered by university policy (i.e., medical emergencies). The syllabus shows the quiz schedule—so schedule your plans not to conflict with them.

Quiz Schedule

- Quiz 1: Available from 8.20 pm EST on June 2nd, until 4.30 pm EST on June 7th.

- Quiz 2: Available from 8.20 pm EST on June 23rd, until 4.30 pm EST on June 28th.

Both quizzes need to be completed before the end of the assigned window. You will have 60 minutes to complete the quizzes once you start. Therefore you should start the quiz at least 60 minutes before the end of quiz window.

Honor Code You are expected to respect the Code of Academic Integrity

http://www.upenn.edu/academicintegrity/ai_codeofacademicintegrity.html and to behave with integrity in all aspects of the course. Violations of the honor code will be reported to the administration immediately.

Communicating with me

Outside of the class, the best way to contact me is attending my office hours or sending me an email but please do not ask long, detailed questions, or questions that may require a long, detailed response. For such questions please attend my office hours and I am happy to talk with you there.

Class Schedule

Date	Class #	Topic	Recommended Readings
Mon May 24	1	Introduction, Time Value of Money	1, 2.1-2.4, 3, 4
Wed May 26	2	Interest Rates, Fixed Income Securities	5 (except 5.4), 6
Wed June 2	3	Capital Budgeting Decisions, Return on Investment	7.1, 7.2, 7.4
Mon June 7	4	Portfolio Choice	10.1-10.4, 11.1, 11.2-11.4
Wed June 9	5	Portfolio Choice	11.5, 10.5, 10.6, 10.7
Mon June 14	6	Midterm	
Wed Jun 16	7	CAPM, CAPM Applications	11.6, 11.7, 10.8, 11.8, 12.3
Mon June 21	8	Stock Valuation	9.1, 9.2, 12.1-12.4
Wed June 23	9	Capital Structure	14, 15.1-15.3, 18.1-18.3
Mon June 28	10	Options	20.1, 20.2, 20.3-20.5
Wed June 30	11	Final	

Exam and Quiz Schedule

	Availability Window	Topics
Quiz #1	from 8.20 pm EST on June 2nd, until 4.30 pm EST on June 7th.	Class #1, Class #2, Class #3
Midterm	from 4.30 pm EST on June 14th, until 4.30 pm EST on June 15th.	Class #1, Class #2, Class #3, Class #4, Class #5
Quiz #2	from 8.20 pm EST on June 23rd, until 4.30 pm EST on June 28th.	Class #7, Class #8, Class #9
Final	from 4.30 pm EST on June 30th, until 4.30 pm EST on July 1st .	Cumulative