

Cover Sheet: Request 10463

FIN7XXX Corporate Finance (DBA)

Info

Process	Course New Ugrad/Pro
Status	Pending
Submitter	Himes,Deborah L debbie.himes@warrington.ufl.edu
Created	10/1/2015 11:09:25 AM
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Description	The DBA program is structured so that participants can understand and perhaps engage in academic research. This compliments the idea that many, if not most participants, have a desire to teach at a four year University

Actions

Step	Status	Group	User	Comment	Updated
Department	Approved	CBA - Finance, Insurance and Real Estate 011706000	Naranjo, Andy		10/1/2015
No document changes					
College	Approved	CBA - College of Business Administration, Warrington	Mathis, Renee C		10/1/2015
No document changes					
University Curriculum Committee	Pending	PV - University Curriculum Committee (UCC)			10/1/2015
No document changes					
Statewide Course Numbering System					
No document changes					
Office of the Registrar					
No document changes					
Student Academic Support System					
No document changes					
Catalog					
No document changes					
College Notified					
No document changes					

Course|New for request 10463

Info

Request: FIN7XXX Corporate Finance (DBA)
Submitter: Mathis,Renee C rcmathis@ufl.edu
Created: 10/1/2015 3:07:55 PM
Form version: 5

Responses

Recommended Prefix: FIN
Course Level : 7
Number : XXX
Lab Code : None
Course Title: Corporate Finance
Transcript Title: Corporate Finance
Effective Term : Spring
Effective Year: 2016
Rotating Topic?: No
Amount of Credit: 3
If variable, # min : *No response*
If variable, # max: *No response*
Repeatable Credit?: No
If repeatable, # total repeatable credit allowed: *No response*
S/U Only?: No
Contact Type : Regularly Scheduled
Degree Type: Professional
If other degree type, specify : *No response*
Weekly Contact Hours : 3
Category of Instruction : Advanced
Delivery Method(s): On-Campus
Course Description : The DBA program is structured so that participants can understand and perhaps engage in academic research. This compliments the idea that many, if not most participants, have a desire to teach at a four year University.
Prerequisites : none
Co-requisites : none
Rationale and Placement in Curriculum : FINXXX course specifically designed for the Doctor of Business Administration (DBA) program which is a professional degree offered as a track under the Ph.D. degree. Contact Hours: 60; 36 taken in 6 terms in years 1 & 2. This course is a required element of these 36 contact hours.
Students in this course will participate in activities both in the classroom and outside of the classroom using a blended learning approach. Out-of-class work will leverage online technologies to support continued discussions of cases, course materials, and application of lecture materials to collaborative learning. This method will provide students with an opportunity in this blended model to make the best use of classroom time.
What is blended learning and why is it important?
Blended learning is a method of classroom delivery where a portion of the traditional face-to-face instruction is replaced by web-based online learning. The amount of face-to-face instruction replaced by online coursework will vary greatly by instructor, class, discipline, and learning objectives. The Online Learning Consortium - <http://onlinelearningconsortium.org> (a professional organization dedicated to postsecondary online learning) defines blended learning as a course where 30%-70% of the instruction is delivered online.
In their Blended Learning infographic - <https://www.knewton.com/blended-learning> Knewton defines blended learning as any situation in which "...a student learns, at least in part, at a brick-and-mortar facility and through online delivery with student control

over time, place, path, or pace.” For additional information about blended learning at UF, see the research and resources at <http://citt.ufl.edu/tools/blended-learning-and-the-flipped-classroom> .

What is expected of you?

You are expected to read and prepare for class prior to attending. You are expected to actively participate in discussions during class, and you are expected to fully engage in online discussions through the course site that will continue and extend the in class activities.

The DBA Program offers a well-rounded offering of courses in the business disciplines. Supply Chain Strategy covers the basics of supply chain management and logistics, which is vitally important in business. This course will prepare students for research in this area.

Course Objectives : Understanding basic theoretical paradigms and being able to understand research that truly show what it purports to show (and that which does not) is an important consideration.

Being able to convey concepts (and why models seemingly at odds with reality given the assumptions employed) is also paramount if you want to be an instructor. The ability to access basic data and analyze it, even if not cutting edge in terms of research, is also of value. At the same time, this is not a doctoral course. Furthermore, it is course with people from varied backgrounds. Hence, pushing fine theoretical points (as one might in a doctoral class for Finance students) may be of limited value.

Course Textbook(s) and/or Other Assigned Reading: Power Point notes and handouts (handed out in class and on Canvas)

Throughout the chapter by John Graham on taxation (chapter 3 of Handbook of the Economics of Finance does a pretty good job with optimal capital structure, dividend policy, conflict of interest (agency) issues arising in finance, financial signaling and some taxation issues.

.Handbook of the Economics of Finance, Vol 2A, North Holland Publishing.

Course packet of articles.

Access to WRDS.

Class Assignments:

1. In our second round of meetings, I will have 6 or 7 groups that present overviews of specific areas that relate to the articles assigned. Each group should be prepared for a 30 minute PowerPoint presentation as to the key ideas and issues in the articles that they are assigned. We will then allow ten minutes of questioning and I will add some additional points from there.
2. A short empirical exercise using WRDS data. This will allow you to access the data and do some simple analysis.
3. A brief two page proposal for a research project. I am not expecting something incredibly profound in that you will have gotten a very brief introduction and exposure to ideas. I am looking for a “testable proposition” and a brief discussion of how you might go about testing it with real data.

Weekly Schedule of Topics : First Weekend Meeting Topics:

1. Usefulness of Theories: Some discussion about the usefulness of theories, unrealistic assumptions used in theories, the value of theory as an approximation to reality, the importance of theory and interesting testable propositions, and applying theoretical models in the real world.

Note that in a business school, we do not have the luxury of developing generally useless models. Students expect to be able to apply concepts and they need to be "sold" on the idea that even though certain theories are built with assumptions of dubious validity, in many cases the assumptions merely simplify the problem and do not change the basic conclusions and/or key takeaway points from a theory that has some empirical validity.

While most financial economists prescribe to the notion that theories are useful if they explain reality, in some cases they "come close" with varying degrees of precision. Modifying models or explaining why the data does not conform to the model is discussed as well.

We use the Capital Asset Pricing Model as an example of these issues. The model is widely used and of great importance in terms of finding a firm's weighted average cost of capital and predictions of the rate of return on stocks. I also stress that it takes a model to beat a model. Hence even flawed models are sometimes employed in practice, which is okay if one has an awareness of their weaknesses.

2. The Basic Finance Paradigm assuming "perfect capital markets"

A review of some of the basic ideas of corporate finance like investment decision rules when there are multiple investors and extending the decision rule from perfect certainty to a setting that deals with the risk of investments. In the process, I will discuss why financing might not matter (or is possibly a second order concern relative to optimal investment policies) and introduce you to a few different ways of modeling risk (it's all algebra) and how debt financing impacts equity risk. One of the key ideas that fall out of dividend and financing irrelevance propositions (the Miller & Modigliani Theorems) is that investors and businesses are essentially "price takers." There are lots of perfect (or near perfect) substitutes out there for any given security. This implies an infinitely elastic demand curve for stocks. We look at evidence on this. Besides some notes on this topic that I will provide, you may want to look at the three readings in the Course Packet under the heading "Are securities substitutable (or are capital market participants always price takers)." These papers are pretty accessible, even though published in top journals.

3. How financing matters: Bankruptcy and conflicts of interest between bondholders and shareholders

4. Tradeoff theory: Balancing debt related costs with the tax benefit of debt

5. Asymmetric information and signaling theory

6. Opportunistic Financing (when capital markets are not always efficient)

7. Managerial/Shareholder conflicts

8. Overview of Data access (if not here, then a handout on how to do it).

Second set of meetings:

Class presentations, review of data analysis and discussion of some key data issues in finance, and time permitting discussion of potential research ideas

Note the class presentations cover a number of areas that you have signaled some interest in. I have provided articles that you can read and synthesize for the class. I have 30 minute Power point presentations with follow up questions and discussions. They can be complimented with material from the Handbook. In fact, if none of the articles interest a group, one can go to the handbook and select some articles of interest.

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3. A brief two page proposal for a research project. I am not expecting something

incredibly profound in that you will have gotten a very brief introduction and exposure to ideas. I am looking for a "testable proposition" and a brief discussion of how you might go about testing it with real data.

Grading Scheme : Grade is 25% class participation, 15% empirical project, 30% class presentation, 30% two page proposal. Each graded on 0-100 scale, with curve to get a B+ average.
A= 4.0 , A- = 3.7, B+ = 3.3, B=3, B- = 2.7. C+ = 2.3, C = 2, C- = 1.7, D+ = 1.3, D=1, D- = 0.7, F =0

For information on current UF grading policies for assigning grade points you may go to the link to the web page:

<https://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx>

Some Important Administrative Issues

Accommodations/Disability:

Students with disabilities requesting accommodations should first register with the Disability Resource Center (352-392-8565, <https://www.dso.ufl.edu/drc/> by providing appropriate documentation. Once registered, students will receive an accommodation letter which must be presented to the instructor when requesting accommodation. Students with disabilities should follow this procedure as early as possible in the semester.

The University's Student Honor and Conduct Codes:

All students are required to abide by the Student Honor Code and Student Conduct Code set forth in the University of Florida Regulations (4.040) - 6C1-4 Student Affairs, 6C1-4.041 Student Affairs: Academic Honesty Guidelines (e.g., cheating, plagiarism, consultation...). The following website contains details covering the above guidelines: <http://regulations.ufl.edu/chapter4/4040.pdf>.

Requirements for class attendance and make-up exams, assignments, and other work are consistent with university policies that can be found at:

<https://catalog.ufl.edu/ugrad/current/regulations/info/attendance.aspx> ."

Students are expected to provide feedback on the quality of instruction in this course by completing online evaluations at <https://evaluations.ufl.edu> . Evaluations are typically open during the last two or three weeks of the semester, but students will be given specific times when they are open. Summary results of these assessments are available to students at <https://evaluations.ufl.edu/results/> ."

Disclaimer: This syllabus represents my current plans and objectives. As we go through the course, those plans may need to change to enhance the class learning opportunity. Such changes, communicated clearly, are not unusual and should be expected.

Instructor(s) : Instructor: Professor Michael Ryngaert

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Course Website: e-Learning system in Canvas (<https://lss.at.ufl.edu/>)