Terry College of Business
Department of Banking and Finance
Spring 2008

FINA 8990—Corporate Finance
Call # 08-250
Brooks Hall, 363
Office Hours: By Appointment

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Course Day and Time: Thursdays from 3:30-6:15pm
Room: Sanford, 312

COURSE OUTLINE

This course is designed to provide a framework for understanding the determinants of corporate
investment, financing, and dividend policies, and to expose you to much of the available evidence on
these topics. In calculating the final course grade, class participation will count 5%; the problem
sets, 30%, and the final 65%. Most of the problem sets will be group assignments. At the end of the
course, each student will be asked for an assessment of the members’ contribution to their study-
team assignments.

The textbooks for the course are:

Brealey/Myers (2006) Principles of Corporate Finance
Architecture

Attendance:
Please make every effort to attend all classes. You are responsible for what is covered in class
whether you are present or not.

Academic Honesty:
All academic work must meet the standards contained in “A Culture of Honesty.” All students
are responsible to inform themselves about those standards before performing any academic
work. All students are expected to abide by the University Honor Code as found in A Culture of
Honest, which includes the following statement: The University of Georgia seeks to promote and
ensure academic honesty and personal integrity among students and other members of the
University community. A policy on academic honesty (and procedural guidelines for
adjudication of alleged violations of academic honesty) has been developed to serve these goals.
Academic honesty means performing all academic work without plagiarizing, cheating, lying,
tampering, stealing, receiving assistance from any other person or using any source of
information that is not common knowledge (unless that assistance or use is authorized by the
person responsible for supervising that academic work or fairly attributed to the source of
assistance or information). http://www.uga.edu/ovpi/honesty/acadhon.htm
ANY violation will be reported to the Office of Academic Affairs.
Academic Accommodations: If you would like to request academic accommodations due to a disability please contact The Disability Resource Center, 114 Clark Howell Hall, 706-542-8719 voice, 706-542-7719 fax, or 706-542-8778 tty.

1. INTRODUCTION

Smith (1990) "The Theory of Corporate Finance: A Historical Overview." (handed out in class)

2. CORPORATE LEVERAGE

Brealey/Myers (2003) Chapter 17 through 21 may provide useful background for the remaining readings

3. EXECUTIVE COMPENSATION POLICY


4. CORPORATE FINANCING POLICY

Brickley/Smith/Zimmerman (2004), Chapter 19
Lewent/Kearney "Identifying, Measuring and Hedging Currency Risk at Merck," (reprinted in Chew, 428)
5. **CORPORATE PAYOUT POLICY**

Brealey/Myers (2003), Chapter 16

6. **SUMMARY**