(This is a preliminary syllabus solely for purposes of registration. It is subject to minor adjustments. However, the due dates of the deliverables, exam dates, textbook etc. will not change).

Preliminary Syllabus (Updated: August 19, 2017)

Fall 2017

<table>
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<tr>
<th>Finance 431</th>
<th>Professor: Navin Chopra</th>
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<tr>
<td>Finance II</td>
<td>Office: Jacobs 410</td>
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<tr>
<td></td>
<td>E-mail: <a href="mailto:n-chopra@kellogg.northwestern.edu">n-chopra@kellogg.northwestern.edu</a></td>
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**Course Description**

This course is the sequel to FINC-430 (Finance I). We will examine two fundamental decisions in corporate finance: how firms fund their projects (capital structure) and how they allocate the return on their investments (payout policy). We will then apply the frameworks we develop to analyze applied corporate finance decisions, including corporate security design, mergers and acquisitions, and corporate risk management.

This course is designed both for managers who will initially specialize in a different functional area (e.g., marketing, operations) and for managers who will be directly involved in making or analyzing corporate finance decisions (e.g., future senior executives, general managers, investment bankers, consultants, security analysts, money managers, investment advisors).

**Required Textbook and Course Materials**


  We will follow the textbook fairly closely. Purchase of the add-on optional *MyFinanceLab* is not required for our class.

- Case Packet: A packet containing the cases for the course is required and will be available prior to start of classes.

- Lecture Notes: Lecture notes will be made available throughout the course. Be sure to have a copy during lectures to help in note taking.
Deliverables & Grading

Your course grade will be based on the following deliverables:

<table>
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<tr>
<th>Deliverables</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Homeworks</td>
<td>25%</td>
</tr>
<tr>
<td>Mid-term Exam</td>
<td>25% or 0%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>50% or 75%</td>
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*Final course grade will be based on your rank in class* on the basis of the following index value:

Index value = 25% of average homework score percentage + max [25% of mid-term exam score + 50% of final exam score, 75% of final exam score].

Course grades will be awarded according to finance department guidelines.

**Homeworks:** There will be 6-8 homeworks; no homework will be due in the first week. These should be done in groups of up to 6 with a single submission for the group. You can form your own groups. Homework questions will be posted one week prior to due date.

**Mid-Term Exam:** The optional mid-term exam will be held in class during the 5th week. The exam will be 1.5 hours long.

**Final Exam:** The final exam *will cover the entire course.* The general exam rules will be the same as that for the mid-term. The material for the final will be comprehensive and the exam will be 3 hours long.

**Re-grade requests:** Re-grade requests for all deliverables must be made within 10 days of receiving the graded work.

**Due Dates**

8 Homeworks: Saturdays, 12:00 noon (except first week & mid-term week)
Mid-Term Exam: October 21, in class, 3:00-4:30
Final Exam: In class during 11th week.

Homeworks are due by noon by uploading to course website. This is very important as the homeworks may contain case analyses, which may be discussed in class on the due date.

Be sure to note the due dates for the various deliverables. These are inflexible. Please register for the course only if the dates are acceptable to you.

**Missed Classes**

If you have to miss a class, you can try to learn the missed material by studying the lecture notes and the textbook. If, after studying the lecture notes and the textbook,
you have specific questions, I will be glad to answer them. However, I cannot review the entire missed lecture.

**E-Mails**

The best way to ask questions is in class so that everyone can benefit equally. You can also send me e-mails with questions. Short and pithy e-mails usually get answered before e-mails containing numbered/bulleted lists of questions or those beginning with ‘I have a couple of quick questions’ followed by 20 not-so-quick questions. *If your e-mail pertains to homework material, be sure to include all your group members in the e-mail.*

**Office Hours**

I am easily available for office meetings. Just send me an e-mail preferably on the previous day.

**The Kellogg Honor Code**

The Kellogg Honor Code is applicable in this class. All deliverables must be completed strictly in accordance with rules. On the homework and cases you can consult with any other class members and refer to class materials, except that *answers to previous years’ problems are off limits*. Honor code violations will be reported instantly, no exceptions!