

**Course Syllabus: Corporate Finance & Accounting for Lawyers**  
**Western State College of Law**  
**Wednesdays 4:00 p.m.-6:00 p.m.**  
**Fall 2014**

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**Course Overview and Learning Objectives:**

This course is an introduction to the basic concepts of corporate managerial finance and accounting. The course is designed to meet the objective that all students will be able to develop and will demonstrate mastery of the following general topics:

Ethics  
Relation of Theory to Practical Current Events  
Financial Markets and Institutions  
Financial Statements and Their Analysis  
Tax Consequences  
Ratio and Trend Analysis  
Time Value of Money  
Interest Rates  
Bonds and Their Valuation  
Default Risk and Analysis  
Risk and Rates of Return  
Common and Preferred Stocks and Their Valuation  
Capital Budgeting  
WACC, CAPM, DCF  
Cash Flow Estimation  
Expansion and Replacement Project Analyses  
Stand Alone and Beta-Risk  
Capital Structure and Dividend Policy  
Derivatives and Risk Management

**Course Materials:**

You will need a calculator for this class. However, you may use any calculator that can raise a number to a power. Calculators that can store text, graphs, or other such information, as well as calculators on mobile devices, are prohibited during the final examination, although these calculators are permitted during regular class meetings, if you so choose. A general financial calculator that includes buttons for PMT, Interest, Periods, etc. likely will be beneficial and is highly encouraged; however, **this is not a class in calculator manipulation nor is it a class to have you spend money on materials you potentially won't use after this class.** For those interested in what may work, an HP 17 B II is a very good (albeit expensive) financial calculator that has taken people through professional work and MBAs in Finance. **Again: any calculator (at much lower prices) that can raise a number to a power will be sufficient for purposes of this class.**

## **Required Texts:**

- (1) FUNDAMENTALS OF FINANCIAL MANAGEMENT (13th ed.) by BRIGHAM & HOUSTON (Cengage Learning); If cost is a material difference, you may use the 12<sup>th</sup> edition, as I do not believe sufficiently material differences exist between the two editions to justify a material cost difference. After all, this is a course covering finance.

## **Grade Determination:**

Due to the quantitative nature of this course, unlike my other courses, in this course, except as otherwise provided in this Syllabus, you will earn 100% of your grade based solely on your performance on the final exam in this course, which will be a BlueBook essay-style exam, explaining your financial, accounting, and legal analyses and conclusions. **You agree that your continued registration in this course after the final drop date shall indicate your acceptance of the terms and conditions of this Syllabus.**

## **Use of Audio/Visual Equipment:**

Mobile technology and other personal communications devices must be disabled or placed in a silent (non-vibrating) mode in this course. The first time you (third person plural) violate these prohibitions, you will be warned (third person plural) verbally. Each additional violation may result in a 5 percentage point reduction of YOUR (THIRD PERSON PLURAL) FINAL course grade.

No text messaging or IMing (whether on a phone, other mobile device, or laptop on applications such as facebook, etc.) is permitted while a class session is in progress.

## **Communicating with me outside of class:**

Best Method: Via e-mail to the e-mail address listed at the wsulaw.edu website. **Please type “Corp. Fin.” in the subject line of any e-mail you send to me.**

Last Resort: Office Telephone Number: 714.459.1127.

## **Changes to Syllabus:**

Dates and assignments documented in this syllabus are subject to change at the sole and absolute discretion of the instructor. A reasonable effort will be made to communicate any changes to the class in advance. Verbal notification to this class, however, constitutes sufficient notice. The course schedule is tentative, and this syllabus is subject to change as verbally announced in class or through electronic media.

**ANTICIPATED TOPICS, CHAPTERS, AND DATES COVERED BASED ON OUR PACING, \*\*\*THE BELOW DATES AND PAGES ARE SUBJECT TO MULTIPLE CHANGES\*\*\* THAT WILL BE POSTED ONLINE OR DISCUSSED IN CLASS OR BOTH.**

## Week 1:

Introductions, Student Info. Questionnaire, and Syllabus Review,

Student Questions. Overview.

### **Chapter 1 – An Overview of Financial Management:**

Pages 1-21; Skip Section 1-3 (Yes, that section is much of Business Associations I/ Business Associations cogently articulated in 3 pages, rather than an FLP course).

**Chapter 2 – Financial Markets and Institutions:** Entire chapter (when reading pages 46-50, please re-read *Basic v. Levinson*, 485 U.S. 224 (1988) (including the part-concurrence and part-dissents by Justices White and O'Connor) (obtain online if you no longer have your BA book). Please locate electronically and read *all* Supreme Court opinions (majority opinion, Alito concurrence, Scalia dissent, and Thomas dissent) related to: *Amgen Inc. et al., v. Connecticut Retirement Plans and Trust Funds* (October Term 2010, Case No. 11–1085. Argued November 5, 2012—Decided February 27, 2013).

## Week 2:

**Chapter 2 (continued)– Financial Markets and Institutions:** Entire chapter (when reading pages 46-50, please re-read *Basic v. Levinson*, 485 U.S. 224 (1988) (including the part-concurrence and part-dissents by Justices White and O'Connor) (obtain online if you no longer have your BA book). Please locate electronically and read *all* Supreme Court opinions (majority opinion, Alito concurrence, Scalia dissent, and Thomas dissent) related to: *Amgen Inc. et al., v. Connecticut Retirement Plans and Trust Funds* (October Term 2010, Case No. 11–1085. Argued November 5, 2012—Decided February 27, 2013), and *Halliburton v. Erica P. John Fund, Inc.*, 573 U.S. \_\_\_\_\_ (2014) (Case No. 13-317, Argued March 5, 2014- Decided June 23, 2014, available via pdf at <http://www.bloomberglaw.com/document/public/subdoc/26109225277063191?image=opn159243.pdf>.

**Chapter 3 - Financial Statements, Cash Flow, and Taxes:** Pages 53-75; Skip Section 3-8.

Be Prepared to Discuss all parts of Integrated Case on pages 91-92.

## Week 3:

**Chapter 4 Analysis of Financial Statements Part I** (Read Entire Chapter, although we won't cover entire chapter during class).

## **Week 4:**

### **Analysis of Financial Statements Part II (Chapter 4)**

Be Prepared to Discuss all parts of Integrated Case on Pages 132-135.

## **Week 5:**

**Begin Chapter 5 – Time Value of Money-- Part I:** Read through Section 5-5 on page 150.

## **Week 6:**

### **Time Value of Money Part II – Chapter 5: Pages 150 (Section 5-6) through 171.**

Be Prepared to review Western Money Management, Inc. Integrated Case (p 254) at end of chapter during class.

## **Week 7:**

### **Chapter 6: Interest Rates** (read entire Chapter)

## **Week 8:**

**Chapter 7 – Bonds and their Valuation** (Read entire chapter; pay particular attention to Section 7-8c if you plan to take Bankruptcy course).

Be Prepared to review sample problems/questions at end of chapter during class.

## **Week 9:**

### **Chapter 8 Risk and Rates of Return**

## **Week 10:**

**Chapter 9 - Stocks and their Valuation, Part I:** Read entire chapter but skip 9-1a (ensuring that you read 9-1b), and skip Appendix 9A.

Be prepared to review problems/questions at end of chapter during class.

## **Week 11:**

### **Stocks and their Valuation Part II (Chapter 9);**

Be prepared to review problems/questions at end of chapter during class.

## **Week 12:**

**Chapter 10 – The Cost of Capital** (Read entire chapter).

Be prepared to review problems/questions at end of chapter during class.

## **Week 13:**

**Chapter 11 – Capital Budgeting:** (Read entire chapter).

**Chapter 12 –Cash Flow Estimation and Risk Analysis:** Read only Sections 12-1e through 12-1g (pages 402-404).

## **Week 14:**

**Chapter 14: Capital Structure and Leverage**

**Chapter 15 – Distributions to Shareholders: Dividends and Share Repurchases**

**Chapter 18 – Derivatives and Risk Management**