



Course Syllabus
ALP - 3340 – Corporate Finance
Summer 2026

Class: ALP - 3340 – Finance

Class Time: Asynchronous (2W1 – Finance-ALP)

Instructor: Dr Sellamuthu Prabakaran

Office: Amy Street Building.

Office 111. Eagle Pass, TX 78852.

Credits: 3

Location: Online (Any Time)

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Office Hours: Monday – 9.00 AM – 4.00 PM

Phone: 830 415 8440

Required Materials:

Textbook:

We are going to use an ebook and the **Connect** platform from McGraw-Hill.

1. Ross, Westerfield, and Jaffe (2025). Corporate Finance, 13th Edition. McGraw Hill.

Students must Connect access through the link in Blackboard (click on Connect Registration).

Course Description: Corporate Finance provides a comprehensive introduction to the principles, practices, and analytical tools used in managing an organization's financial resources. This course emphasizes the foundational concepts of financial decision-making, including time value of money, valuation of financial assets, risk and return, capital budgeting, capital structure, cost of capital, working capital management, and financial planning. Students will learn how firms create value through efficient investment, financing, and dividend decisions.

Through a blend of conceptual learning and computational applications, the course equips students with the skills needed to interpret financial statements, analyze investment opportunities, assess financing alternatives, and understand the financial implications of strategic decisions. By the end of the course, students will be able to apply quantitative techniques to real-world business problems and make informed financial decisions that enhance organizational performance.

Course Learning Outcomes – Corporate Finance (5 CLOs)

By the end of this course, students will be able to:

1. **Explain** the fundamental principles of **Corporate Finance**, including the roles of financial managers, financial markets, and ethical considerations in corporate finance.
2. **Apply** time value of money concepts and financial analytical tools to evaluate cash flows and value financial assets.
3. **Analyze** financial statements and assess a firm's financial performance using key ratios and financial metrics.
4. **Evaluate** investment, financing, and dividend decisions using capital budgeting methods, risk–return analysis, and cost of capital estimation.

5. **Develop** financial strategies—including working capital management and financial planning—using spreadsheet-based modeling to support effective managerial decision-making.

Learning Outcomes – Corporate Finance Focus

Undergraduate Learning Outcomes – Corporate Finance

Upon successful completion of this course, students will be able to:

1. **Collect, interpret, and analyze** financial and business data to support basic corporate finance and investment decisions.
2. **Apply financial concepts and problem-solving skills** to evaluate business situations and recommend appropriate financial solutions.
3. **Assess financial strategies and business decisions** that contribute to organizational sustainability, profitability, and long-term growth.

Marketable Skills: Upon successful completion of this course, students will develop the following marketable skills:

1. **Data Analysis and Technology Skills** – Ability to use spreadsheets, financial software, and digital tools to analyze, interpret, and present financial information.
2. **Problem-Solving Skills** – Ability to apply financial concepts and analytical techniques to evaluate alternatives and solve business problems.
3. **Teamwork and Collaboration Skills** – Ability to work effectively with others in completing projects, making decisions, and achieving common goals.
4. **Communication Skills** – Ability to communicate financial analyses, recommendations, and business information clearly and professionally in written and oral formats.
5. **Digital Literacy Skills** – Ability to utilize current technologies and emerging digital tools to support financial decision-making and business operations.

Academic Integrity: Students in this class are expected to demonstrate scholarly behavior and academic honesty in the use of intellectual property. A scholar is expected to be punctual, prepared, and focused; meaningful and pertinent participation is appreciated. Examples of academic dishonesty include but are not limited to: Turning in work as original that was used in whole or part for another course and/or professor; turning in another person's work as one's own; copying from professional works or internet sites without citation; collaborating on a course assignment, examination, or quiz when collaboration is forbidden. Students should also avoid using open AI sources *unless permission is expressly given* for an assignment or course. Violations of academic integrity can result in failing assignments, failing a class, and/or more serious university consequences. These behaviors also erode the value of college degrees and higher education overall.

Classroom Climate of Respect: This class will foster free expression, critical investigation, and the open discussion of ideas. This means that all of us must help create and sustain an atmosphere of tolerance, civility, and respect for the viewpoints of others. Similarly, we must all learn how to probe, oppose, and disagree without resorting to tactics of intimidation, harassment, or personal attack. No one is entitled to harass, belittle, or discriminate against other students.

Counseling: Sul Ross has partnered with TimelyCare where all SR students will have access to nine free counseling sessions. You can learn more about this 24/7/356 support by visiting

Timelycare/SRSU. The SR Counseling and Accessibility Services office will continue to offer in-person counseling in Ferguson Hall room 112 (Alpine campus), and telehealth Zoom sessions for remote students and SRSU International students.

Libraries: The Bryan Wildenthal Memorial Library in Alpine offers FREE resources and services to the entire SRSU community. Access and borrow books, articles, and more by visiting the library's website, library.sulross.edu/. Off-campus access requires logging in with your LoboID and password. Librarians are a tremendous resource for your coursework and can be reached in person, by email (srsulibrary@sulross.edu), or by phone (432-837-8123). No matter where you are based, public libraries and many academic and special libraries welcome the general public into their spaces for study. SRSU TexShare Cardholders can access additional services and resources at various libraries across Texas. Learn more about the TexShare program by visiting library.sulross.edu/find-and-borrow/texshare/ or asking a librarian by emailing srsulibrary@sulross.edu. Mike Fernandez, SRSU Librarian, is based in Eagle Pass (Building D-129) to offer specialized library services to students, faculty, and staff. Utilize free services such as InterLibrary Loan (ILL) and ScanIt to get materials delivered to you at home or via email.

Americans with Disabilities Act (ADA): Sul Ross State University (SRSU) is committed to equal access in compliance with Americans with Disabilities Act of 1973. It is SRSU policy to provide reasonable accommodations to students with documented disabilities. It is the student's responsibility to initiate a request for each semester for each class. Students seeking accessibility/accommodations services must contact Mary Schwartz, LPC-S, SRSU's Accessibility Services Coordinator at 432-837-8203 (please leave a message and we'll get back to you as soon as we can during working hours), or email mary.schwartz@sulross.edu. Our office is located on the first floor of Ferguson Hall (Suite 112), and our mailing address is P.O. Box C-122, Sul Ross State University, Alpine, Texas, 79832.

Official Communication: All official communications by the University or me will be sent to your Sul Ross email account. As a result, you are required to activate your email account and check it from time to time for personal communication. I encourage you to email me if you have Questions or comments, BUT PLEASE include your full name and the course for which you have questions. Even if you submit your email through the Blackboard site, I cannot tell which course you are in nor what your real name is (i.e., egar123) unless you put it in the body of your email.

Technical Support: The Support Desk is where you can direct your technical questions. For example, the Support Desk can help you if you are having issues submitting a document, getting videos to play, or using BlackBoard. The support desk is open 24 hours a day/7 day a week for your convenience. You can reach the support desk by calling 888.837.8888 or by email blackboardsupport@sulross.edu. You may also reach the Support desk from the Technology Support tab within Blackboard by clicking the Support Desk graphic on the course homepage or calling 936.294.2780.

SRSU Distance Education Statement: Students enrolled in distance education courses have equal access to the university's academic support services, such as library resources, online

databases, and instructional technology support. For more information about accessing these resources, visit the SRSU website. Students should correspond using Sul Ross email accounts and submit online assignments through Blackboard, which requires secure login. Students enrolled in distance education courses at Sul Ross are expected to adhere to all policies pertaining to academic honesty and appropriate student conduct, as described in the student handbook. Students in web-based courses must maintain appropriate equipment and software, according to the needs and requirements of the course, as outlined on the SRSU website. Directions for filing student complaints are located in the student handbook.

Assignments

Late Work: There will be a 10% penalty for assignments submitted late.

Course Requirements and Grading

Requirement	Points Possible	Grading Scale
Weekly Discussion Posts – 4	100 Each (4 Discussions)	A = 900 to 1000 points
Assignment 1 – Due 19 th July 2026.	200 points	B = 800 to 899 points
Assignment 2 – Due 26 th July 2026.	200 points	C = 700 to 799 points
Assignment 3 – Due 2 nd August 2026.	200 points	D = 600 to 699 points
Assignment 4 – Due 9 th August 2026.	200 points	F = less than 599 points
Final Essay Exam – Due 12 th August 2026.	300 points	
Possible Points	1500 points	

Course Assignments

Weekly Discussion Board:

1. As a faculty member, I will post a weekly discussion board that will be available at 12:01 AM on Tuesday and have a due date of the following Monday at 11:59 PM.
2. Students will be required to respond to the question by Friday and reply to two other students by Sunday night.
3. The question will be designed to facilitate discussion by requiring students to offer their analysis, evaluation, or design based on the course's weekly topic. (Blooms Levels 5-6).
4. The instructor will be active in the Discussion Board by responding to at least half of the student posts each week.

Discussion Board Rubric: (100 points)

Rubric 1: The student's main post responded completely and substantially to all parts of the discussion question. (50 points).

Rubric 2: The student's initial post was no later than Friday (20 points)

Rubric 3: The response was well-organized, clear, and free of grammatical and mechanical errors. (20 points).

Rubric 4: The student posts substantially to two other students. 5 points each (10 points)

Assignment 1: CHAPTER 3 - FINANCIAL STATEMENTS ANALYSIS AND FINANCIAL MODELS, CHAPTER 4 – DISCOUNTED CASH FLOW VALUATION and CHAPTER 5- NET PRESENT VALUE AND OTHER INVESTMENT RULES

Question 1 - Net Present Value and Other Investment Rules

Select a publicly listed company and obtain its latest annual report. Using the Income Statement, Balance Sheet, and Cash Flow Statement:

a) Calculate and analyze the company's profitability, liquidity, efficiency, and solvency ratios.

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b) Compare the company's financial performance with one of its major competitors.

c) Evaluate the company's financial strengths and weaknesses based on your analysis.

d) Provide recommendations to improve the company's financial performance.

Question 2 - Discounted Cash Flow Valuation

A project requires an initial investment of \$100,000 and is expected to generate the following cash flows:

Year	Cash Flow (\$)
1	25,000
2	30,000
3	35,000
4	40,000
5	45,000

Assuming a discount rate of 10%:

a) Calculate the present value of each annual cash flow.

b) Determine the total present value of the project.

c) Calculate the Net Present Value (NPV) of the project.

d) Explain whether the project should be accepted based on the DCF valuation approach.

Question 3 - Net Present Value and Other Investment Rules

A company is considering an investment project with an initial cost of \$200,000. The project is expected to generate annual cash inflows of \$55,000 for the next 6 years. The required rate of return is 12%.

a) Calculate the Net Present Value (NPV) of the project.

b) Calculate the Profitability Index (PI).

c) Determine the Payback Period.

d) Estimate the Internal Rate of Return (IRR).

e) Based on the NPV, PI, Payback Period, and IRR, recommend whether the company should accept or reject the project. Provide justification for your recommendation.

Course Assignment Rubric (Total: 200 Points)

Criteria	Description	Points
Financial Statement Analysis	Accuracy and completeness of ratio calculations and financial analysis in Question 1	50 Points
Comparative Analysis	Effective comparison with competitor and identification of strengths and weaknesses	30 Points
Discounted Cash Flow Valuation	Accuracy of present value, DCF, and NPV calculations in Question 2	40 Points
Investment Appraisal Techniques	Accuracy of NPV, PI, Payback Period, and IRR calculations in Question 3	40 Points
Interpretation and Recommendations	Quality of conclusions, decision-making, and managerial recommendations	20 Points
Organization and Presentation	Clarity, formatting, grammar, tables, charts, and	10 Points

	professional presentation	
References and Supporting Evidence	Appropriate use of annual reports, financial data, and citations	10 Points
Total		200 Points

Assignment 2: CHAPTER 6: MAKING CAPITAL INVESTMENT DECISIONS, CHAPTER 7: RISK 6 ANALYSIS, REAL OPTIONS, AND CAPITAL BUDGETING and CHAPTER 8 - INTEREST RATES AND BOND VALUATION

Question 1 - Making Capital Investment Decisions

A manufacturing company is considering investing in a new production machine that requires an initial investment of \$300,000. The machine is expected to generate the following after-tax cash inflows:

Year	Cash Flow (\$)
1	80,000
2	90,000
3	100,000
4	110,000
5	120,000

The company's required rate of return is 10%.

Required:

- Calculate the Net Present Value (NPV) of the project.
- Calculate the Internal Rate of Return (IRR).
- Determine the Payback Period and Discounted Payback Period.
- Assess whether the project should be accepted or rejected.
- Discuss the importance of capital investment decisions in maximizing shareholder wealth.

Question 2 - Risk Analysis, Real Options, and Capital Budgeting

A company is evaluating a project with an initial investment of \$250,000. The expected annual cash inflow is \$75,000 for five years. However, future cash flows are uncertain due to market conditions.

Required:

- Conduct a sensitivity analysis by examining the impact of a $\pm 20\%$ change in annual cash inflows on the project's NPV.
- Explain how scenario analysis can be used to evaluate project risk.
- Discuss the concept of real options and identify at least two real options that may apply to this project.
- Explain how risk analysis improves capital budgeting decisions.
- Provide a recommendation based on your analysis.

Question 3 - Interest Rates and Bond Valuation

An investor is considering purchasing a bond with the following characteristics:

- Face Value = \$1,000
- Coupon Rate = 8% per annum
- Maturity = 10 years
- Market Interest Rate (Yield to Maturity) = 10%
- Annual Coupon Payments

Required:

- a) Calculate the annual coupon payment.
- b) Determine the present value of the bond's coupon payments.
- c) Calculate the present value of the face value repayment.
- d) Determine the market value (price) of the bond.
- e) Explain the relationship between interest rates and bond prices.
- f) Discuss the risks associated with investing in bonds.

Course Assignment Rubric (Total: 200 Points)

Criteria	Description	Points
Capital Investment Decision Analysis	Accuracy of NPV, IRR, Payback Period, and investment decision analysis	60 Points
Risk Analysis and Real Options Evaluation	Quality of sensitivity analysis, scenario analysis, and discussion of real options	60 Points
Bond Valuation and Interest Rate Analysis	Accuracy of bond pricing calculations and interpretation of interest rate effects	50 Points
Conclusions and Recommendations	Quality of financial interpretation and managerial recommendations	20 Points
Organization, Presentation, and References	Professional presentation, formatting, and use of references	10 Points
Total		200 Points

Assignment 3: – CHAPTER 9 - STOCK VALUATION, CHAPTER 10 - RETURN, RISK, AND THE CAPITAL ASSET PRICING MODEL and CHAPTER 11- RISK, COST OF CAPITAL, AND VALUATION

Question 1 - Stock Valuation

A company has just paid a dividend of \$2.50 per share. Dividends are expected to grow at a constant rate of 6% per year, and the required rate of return for investors is 12%.

Required:

- a) Calculate the expected dividend for next year.
- b) Determine the intrinsic value of the stock using the Dividend Discount Model (DDM).
- c) If the current market price of the stock is \$48, determine whether the stock is overvalued or undervalued.
- d) Discuss the factors that influence stock valuation.
- e) Explain the limitations of the Dividend Discount Model.

Question 2 - Return, Risk, and the Capital Asset Pricing Model (CAPM)

An investor is considering investing in a company's stock with the following information:

- Risk-Free Rate = 4%
- Expected Market Return = 11%
- Beta of the Stock = 1.3

Required:

- Calculate the expected return of the stock using the Capital Asset Pricing Model (CAPM).
- Interpret the meaning of the stock's beta.
- Compare the stock's risk with that of the overall market.
- Explain the relationship between risk and return in investment decisions.
- Discuss the assumptions and limitations of the CAPM.

Question 3 - Risk, Cost of Capital, and Valuation

A company has the following capital structure:

- Market Value of Equity = \$800,000
- Market Value of Debt = \$200,000
- Cost of Equity = 14%
- Before-Tax Cost of Debt = 8%
- Corporate Tax Rate = 25%

Required:

- Calculate the weight of debt and equity in the capital structure
- Calculate the after-tax cost of debt.
- Determine the Weighted Average Cost of Capital (WACC).
- Explain the importance of WACC in business valuation and investment decisions.
- Discuss how changes in capital structure can affect the firm's value and cost of capital.

Course Assignment Rubric (Total: 200 Points)

Criteria	Description	Points
Stock Valuation Analysis	Accuracy of dividend growth and stock valuation calculations, interpretation, and discussion	60 Points
CAPM and Risk Analysis	Accuracy of CAPM calculations, beta interpretation, and risk - return analysis	60 Points
Cost of Capital and Valuation	Accuracy of WACC calculations and discussion of valuation implications	50 Points
Conclusions and Recommendations	Quality of financial interpretation and managerial recommendations	20 Points
Organization, Presentation, and References	Professional presentation, formatting, and use of reference	10 Points
Total		200 Points

Assignment 4: – CHAPTER 12: CAPITAL STRUCTURE: BASIC CONCEPTS and CHAPTER 13 – OPTIONS MARKET

Question 1 - Capital Structure – Basic Concepts

A company has the following capital structure information:

- Total Debt = \$500,000
- Total Equity = \$1,000,000
- Interest Rate on Debt = 8%
- Corporate Tax Rate = 25%
- Earnings Before Interest and Taxes (EBIT) = \$250,000

Required:

- Calculate the Debt-to-Equity Ratio.
- Calculate the annual interest expense.
- Determine the Earnings Before Tax (EBT) and Net Income.
- Analyze the impact of debt financing on shareholder returns.
- Discuss the advantages and disadvantages of using debt in a firm's capital structure.
- Explain how an optimal capital structure can maximize firm value.

Question 2 - Options Market

An investor is considering purchasing a call option on a stock with the following characteristics:

- Current Stock Price = \$50
- Exercise (Strike) Price = \$55
- Call Option Premium = \$4
- Contract Size = 100 Shares

Required

- Calculate the intrinsic value of the call option.
- Calculate the break-even stock price at expiration.
- Determine the investor's profit or loss if the stock price at expiration is:
 - \$50
 - \$55
 - \$60
 - \$65
- Draw a profit/loss diagram for the call option position.
- Explain the differences between call options and put options.
- Discuss the advantages and risks of investing in options.

Course Assignment Rubric (Total: 200 Points)

Criteria	Description	Points
Capital Structure Analysis	Accuracy of capital structure calculations and analysis of debt - equity decisions	80 Points
Options Valuation and Profit Analysis	Accuracy of option calculations, payoff analysis, and profit/loss evaluation	80 Points
Interpretation and Discussion	Understanding of capital structure theories and options market concepts	20 Points
Conclusions and	Quality of managerial and investment recommendations	10 Points

Recommendations		
Organization, Presentation, and References	Professional presentation, formatting, and use of references	10 Points
Total		200 Points

Final Essay Exam: A final essay exam consisting of four essay questions covering the material covered in the course. It will be available to students for at least one week before the end of class.

Final Essay Exam Rubric:

Comprehensive Course Final Rubric (Total: 300 Points)

- **Content Quality & Accuracy: 100 points**
- **Critical Thinking & Problem-Solving: 70 points**
- **Financial Analysis & Modeling: 70 points**
- **Use of Evidence & Referencing: 30 points**
- **Organization, Grammar, & Mechanics: 30 points**

Schedule for ALP - 3340 – Summer 2026 - 5 Week

Weeks	Topic	Readings
Week 1 – July 6th to 10th July 2026	CONCEPT - GETTING STARTED - Read the syllabus and get familiar with both Blackboard and Connect platforms. Objectives - Begin the course by introducing myself, reading the syllabus, and becoming familiar with both Blackboard and Connect platforms.	Chapter Reading - No chapter reading or homework is assigned, as this is only an introduction class.
	CHAPTER 1 – INTRODUCTION TO CORPORATE FINANCE - Role of the Financial Manager and Goal of Corporate Finance Forms of Business Organization, The Agency Problem and Control of the Corporation, Financial Markets and The Corporation. OBJECTIVES - To provide a foundational understanding of corporate finance principles, focusing on how businesses make investment, financing, and dividend decisions to maximize firm value while managing risk and return.	Textbook Chapters 1 – Introduction to Corporate Finance
	CHAPTER 2 - FINANCIAL STATEMENTS, TAXES, AND CASH FLOW - The Balance Sheet, The Income Statement, Cash Flow Statement and Taxes. OBJECTIVES - To understand the structure and interpretation of financial statements, the impact of taxes, and the calculation of cash flows for informed financial decision-making.	Textbook Chapters 2 – Financial Statements and Cash Flow
Week 2 - July 13th to 17th July 2026	CHAPTER 3 - FINANCIAL STATEMENTS ANALYSIS AND FINANCIAL MODELS - Cash Flow and Financial Statements: A Closer Look, Standardized Financial Statements, Ratio Analysis and The Du Pont Identity. OBJECTIVES - To develop skills in analyzing, interpreting, and using financial statements for evaluating a firm’s performance and financial health.	Textbook Chapters 3 – Financial Statements Analysis and Financial
	CHAPTER 4 – DISCOUNTED CASH FLOW VALUATION - DCF valuation estimates a company’s value by discounting its projected future cash flows and terminal value using a risk-adjusted rate (WACC) to get enterprise and equity value. It’s sensitive to assumptions, so scenario analysis is important. OBJECTIVES - The session aims to explain DCF valuation, covering cash flow forecasting, terminal value, discounting with WACC, calculating enterprise and equity value, and assessing assumptions through sensitivity analysis.	Textbook Chapters 4 – Discounted Cash Flow Valuation
	CHAPTER 5- NET PRESENT VALUE AND OTHER INVESTMENT	Textbook Chapters 5 –

	<p>RULES - NPV and Other Investment Rules: NPV accepts projects with positive value, Payback and Discounted Payback measure time to recover investment, IRR accepts if return exceeds cost of capital, MIRR refines IRR with realistic reinvestment, and PI accepts if ratio is greater than one.</p> <p>OBJECTIVES - To understand NPV and other investment rules, compare their strengths and limitations, and apply them in making sound investment decisions.</p>	<p>Net Present Value and Other Investment Rules</p>
<p>Assignment 1 – Due 19th July 2026.</p>		
<p>Week 3 - July 20th to 24th July 2026</p>	<p>CHAPTER 6: MAKING CAPITAL INVESTMENT DECISIONS- Making Capital Investment Decisions means evaluating projects by focusing on relevant cash flows, opportunity costs, side effects, and working capital needs, while using tools like NPV, IRR, Payback, and Profitability Index to decide value creation.</p> <p>OBJECTIVES - To learn how to evaluate capital investment projects, identify relevant cash flows, and apply decision tools like NPV, IRR, Payback, and Profitability Index for effective decision-making.</p>	<p>Textbook Chapters 6 – Making Capital Investment Decisions</p>
	<p>CHAPTER 7: RISK ANALYSIS, REAL OPTIONS, AND CAPITAL BUDGETING - Risk Analysis, Real Options, and Capital Budgeting involve assessing project uncertainty, incorporating flexibility through real options, and using risk-adjusted methods to make better investment decisions.</p> <p>OBJECTIVES - Risk Analysis, Real Options, and Capital Budgeting focus on assessing project uncertainty, leveraging managerial flexibility, and using risk-adjusted methods for better investment decisions.</p>	<p>Textbook Chapters 7 – Risk Analysis, Real Options, And Capital Budgeting</p>
	<p>CHAPTER 8 - INTEREST RATES AND BOND VALUATION - Bonds and Bond Valuation, More on Bond Features, Bond Ratings and Some Different Types of Bonds, Bond Markets, Inflation and Interest Rates and Determinants of Bond Yields.</p> <p>OBJECTIVES - To understand the determinants of interest rates and apply bond valuation techniques for pricing and investment decisions.</p>	<p>Textbook Chapters 8 – Interest Rates And Bond Valuation</p>
<p>Assignment 2 – Due 26th July 2026</p>		
<p>Week 4 - July 27th to 31st July 2026</p>	<p>CHAPTER 9 - STOCK VALUATION - Common Stock Valuation, Some Features of Common and Preferred Stocks and The Stock Markets.</p> <p>OBJECTIVES - To learn the methods of valuing stocks and assessing their role in investment and corporate finance decisions.</p>	<p>Textbook Chapters 9 – Stock Valuation</p>
	<p>CHAPTER 10 - RETURN, RISK, AND THE CAPITAL ASSET PRICING MODEL - Return, Risk, and CAPM explain how expected returns relate to investment risk, with CAPM linking return to market risk (beta) and illustrating the risk-return trade-off while highlighting diversification benefits.</p> <p>OBJECTIVES - Return, Risk, and CAPM explain how expected returns relate to systematic and unsystematic risk, with CAPM using beta to link market risk to return, highlighting the risk-return trade-off and benefits of diversification.</p>	<p>Textbook Chapters 11 - Return, Risk, And the Capital Asset Pricing Model</p>
	<p>CHAPTER 11- RISK, COST OF CAPITAL, AND VALUATION - Risk, Cost of Capital, and Valuation link cash flow uncertainty to value, using the cost of capital (debt and equity) to discount expected returns, guiding investment decisions through risk-adjusted valuation.</p> <p>OBJECTIVES - To understand the impact of risk on cash flows, learn how to calculate the cost of capital, and apply it in valuing projects and firms for informed investment decisions</p>	<p>Textbook Chapters 13 - Risk, Cost of Capital, And Valuation</p>
<p>Assignment 3 – Due 2nd August 2026</p>		
<p>Week 5 - August 3rd to 7th August 2026</p>	<p>CHAPTER 12: CAPITAL STRUCTURE: BASIC CONCEPTS - Capital Structure: Basic Concepts refer to the mix of debt and equity a firm uses to finance its operations. Debt provides tax benefits but increases financial risk, while equity represents ownership capital. Firms aim for an optimal capital structure that</p>	<p>Textbook Chapters 16- Capital Structure: Basic Concepts</p>

	<p>balances risk and return, guided by theories like the trade-off between tax benefits and bankruptcy costs, and the pecking order preference for internal financing first.</p> <p>OBJECTIVES – To understand the components of capital structure, the role of debt and equity, and theories guiding financing for value maximization.</p> <p>CHAPTER 13 – OPTIONS MARKET - Options Market is a financial market where participants buy and sell options contracts, which give the holder the right, but not the obligation, to buy (call option) or sell (put option) an underlying asset at a predetermined price within a specified period. Options are widely used for hedging, speculation, and income generation, allowing investors to manage risk or leverage positions. Pricing of options is influenced by factors such as the underlying asset price, strike price, time to expiration, volatility, interest rates, and dividends, often analyzed using models like Black-Scholes.</p> <p>OBJECTIVES - Students will understand the concept and types of options, including calls and puts, learn how options are used for hedging, speculation, and income generation, explore the factors that affect option pricing and value, and apply fundamental option concepts in financial decision-making and risk management.</p>	Textbook Chapters 22 - Options and Corporate Finance
Assignment 4 – Due 9th August 2026.		
Week 6 – August 12th 2026	Final Essay Exam – Due 12th August 2026.	

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