Course Syllabus
ALP - 3340 – Corporate Finance
Fall 2026

Class: ALP - 3340 – Finance
Class Time: Synchronous (1V1 – Finance-ALP)
Instructor: Dr Sellamuthu Prabakaran
Office: Amy Street Building.
Office 111. Eagle Pass, TX 78852.

Credits: 3
Location: Tuesday & Thursday
E-mail: Prabakaran.sellauthu@sulross.edu
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 Schwartze, 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.schwartze@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.

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

Course Requirements and Grading

Requirement	**Points Possible**	**Grading Scale**
Weekly Discussion Posts – 7	350 (50 Poimts each)	A = 900 to 1000 points
Assignment 1 – Due 7th September, 2026.	100 points	B = 800 to 899 points
Assignment 2 – Due 21st September, 2026.	100 points	C = 700 to 799 points
Assignment 3 – Due 5th Ocober, 2026.	100 points	D = 600 to 699 points
Final Essay Exam – Due 12th August 2026.	200 points	F = less than 599 points
Possible Points	**850 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: INTRODUCTION TO CORPORATE FINANCE, FINANCIAL STATEMENTS, TAXES, AND CASH FLOW and FINANCIAL STATEMENTS ANALYSIS AND FINANCIAL MODELS

Submission Guidelines - Upload your essay as a 10 – 12 pages paper, exclusive of title page and appendices, in MS Word format, 12-point Times New Roman Font, double-space following APA Style Format and proper references.

Course Assignment Questions

Question 1: Introduction to Corporate Finance, Financial Statements, Taxes, and Cash Flow

Explain the fundamental concepts of corporate finance and the role of financial management in achieving a firm's financial objectives. Discuss the major financial decisions made by a financial manager, including investment, financing, and working capital decisions. Explain the purpose and importance of the income statement, balance sheet, and statement of cash flows. Also discuss how taxes affect a firm's income and cash flow. Use a simple business example to demonstrate how accounting information and cash flow information can support financial decision-making.

Question 2: Financial Statement Analysis and Financial Models

Explain how financial statement analysis is used to evaluate a company's financial performance and financial position. Discuss the use of liquidity, profitability, efficiency, and solvency ratios in assessing a firm's strengths and weaknesses. Explain how financial models can be used for forecasting revenues, expenses, cash flows, and future financial requirements. Discuss how managers can use financial statement analysis and financial models together to support planning, forecasting, and corporate financial decisions. Provide a simple business example to illustrate your discussion.

Course Assignment Rubric

Total: 150 Points

Criteria	Description	Points
Understanding of Corporate Finance Concepts	Demonstrates a clear understanding of corporate finance, financial management, financial decisions, and the role of the financial manager.	25
Financial Statements, Taxes, and Cash Flow	Accurately explains the major financial statements, the effect of taxes, and the importance of cash flow in financial decision-making.	25
Financial Statement Analysis	Effectively explains and applies financial ratios, including liquidity, profitability, efficiency, and solvency measures.	25
Financial Models and Forecasting	Demonstrates understanding of financial models and their use in forecasting revenues, expenses, cash flows, and financial requirements.	25
Application and Examples	Applies concepts to a realistic business situation and provides relevant examples that demonstrate practical understanding.	20
Analysis and Critical Thinking	Demonstrates logical reasoning, interpretation of financial information, and the ability to connect concepts to corporate financial decisions.	15
Organization and Clarity	Assignment is well organized, clearly written, logically presented, and uses appropriate financial terminology.	10
References and Academic Integrity	Uses appropriate and credible sources, provides proper citations/references, and demonstrates original work.	5
Total		150

Performance Expectations

- **Excellent (135–150): Demonstrates comprehensive knowledge, strong financial analysis, accurate application of concepts, and excellent organization.**
- **Good (120–134): Demonstrates good understanding with appropriate analysis and minor weaknesses.**
- **Satisfactory (105–119): Demonstrates basic understanding but requires greater depth, analysis, or application.**
- **Needs Improvement (Below 105): Demonstrates limited understanding, insufficient analysis, or significant errors and omissions.**

Assignment 2: DISCOUNTED CASH FLOW VALUATION, NET PRESENT VALUE AND OTHER INVESTMENT RULES, MAKING CAPITAL INVESTMENT DECISIONS and RISK ANALYSIS, REAL OPTIONS, AND CAPITAL BUDGETING

Submission Guidelines - Upload your essay as a 10 – 12 pages paper, exclusive of title page and appendices, in MS Word format, 12-point Times New Roman Font, double-space following APA Style Format and proper references.

Course Assignment Questions

Question 1: Discounted Cash Flow Valuation, NPV, and Investment Rules

Explain the concept of Discounted Cash Flow (DCF) valuation and the role of the time value of money in evaluating investment opportunities. Explain how future cash flows are converted into present values using an appropriate discount rate. Discuss the Net Present Value (NPV) investment rule and compare it with other investment rules, including the Internal Rate of Return (IRR), Payback Period, and Profitability Index. Explain how these methods help financial managers determine whether a project should be accepted or rejected.

Question 2: Capital Investment Decisions, Risk Analysis, Real Options, and Capital Budgeting

Explain the process of making capital investment decisions and discuss the major factors that managers should consider when evaluating long-term projects. Explain how initial investment, expected cash flows, project life, and the cost of capital influence a capital budgeting decision. Discuss how risk analysis can be used to evaluate uncertainty in project cash flows. Finally, explain the concept of real options and how managerial flexibility to delay, expand, modify, or abandon a project can affect capital budgeting decisions. Provide a practical business example to support your discussion.

Course Assignment Rubric

Total: 150 Points

Criteria	Description	Points
DCF Valuation and Time Value of Money	Demonstrates a clear understanding of discounted cash flow valuation, present value, future cash flows, discount rates, and the time value of money.	25
NPV and Investment Rules	Accurately explains and applies NPV and compares it with IRR, Payback Period, and Profitability Index.	25
Capital Investment Decisions	Demonstrates understanding of the capital budgeting process and explains how initial investment, project cash flows, project life, and cost of capital affect investment decisions.	25
Risk Analysis	Explains how uncertainty and project risk can affect expected cash flows and capital investment decisions.	20
Real Options	Clearly explains real options and managerial flexibility, including the ability to delay, expand, modify, or abandon a project.	15
Application and Business Example	Applies the concepts to a realistic business situation and provides relevant examples that demonstrate practical understanding.	15
Analysis and Critical Thinking	Demonstrates logical reasoning, interpretation, comparison of investment alternatives, and sound financial judgment.	10
Organization, Clarity, and References	Assignment is well organized, clearly written, uses appropriate financial terminology, and includes credible sources with proper citations.	5

Criteria	Description	Points
Total		150

Performance Expectations

- **Excellent (135–150): Comprehensive understanding, accurate analysis, strong application, and excellent organization.**
- **Good (120–134): Good understanding and analysis with minor errors or omissions.**
- **Satisfactory (105–119): Basic understanding with limited depth or application.**
- **Needs Improvement (Below 105): Significant conceptual errors, insufficient analysis, or incomplete responses.**

Assignment 3: – INTEREST RATES AND BOND VALUATION, STOCK VALUATION, RETURN, RISK, AND THE CAPITAL ASSET PRICING MODEL and RISK, COST OF CAPITAL, AND VALUATION

Submission Guidelines - Upload your essay as a 10 – 12 pages paper, exclusive of title page and appendices, in MS Word format, 12-point Times New Roman Font, double-space following APA Style Format and proper references.

Course Assignment Questions

Question 1: Interest Rates, Bond Valuation, and Stock Valuation

Explain the relationship between interest rates and bond valuation. Discuss how the coupon rate, market interest rate, maturity, and face value affect the price of a bond. Explain why bond prices generally move inversely with changes in market interest rates. Then explain the basic principles of stock valuation, including the role of expected dividends, dividend growth, and the required rate of return. Discuss how bond and stock valuation methods help investors make financial decisions.

Question 2: Return, Risk, CAPM, Cost of Capital, and Valuation

Explain the relationship between risk and return and distinguish between systematic and unsystematic risk. Discuss the Capital Asset Pricing Model (CAPM) and explain how beta, the risk-free rate, and the market risk premium are used to estimate an investment’s required return. Explain how risk affects a firm's cost of capital and valuation. Finally, discuss why understanding risk, required return, and cost of capital is important when making investment and corporate financial decisions. Provide a practical business example to support your discussion.

Course Assignment Rubric

Total: 150 Points

Criteria	Description	Points
Interest Rates and Bond Valuation	Demonstrates a clear understanding of interest rates, coupon rates, maturity, face value, and the relationship between market interest rates and bond prices.	25
Stock Valuation	Explains the principles of stock valuation and appropriately discusses dividends, dividend growth, required return, and factors affecting stock value.	20
Risk and Return	Clearly explains the relationship between risk and return and distinguishes between systematic and unsystematic risk.	20
Capital Asset Pricing	Demonstrates understanding of CAPM, including beta, risk-free rate, market risk premium,	25

Criteria	Description	Points
Model (CAPM)	and required return.	
Risk, Cost of Capital, and Valuation	Explains how business and financial risk affect the cost of capital and the valuation of investments or firms.	20
Application and Business Example	Applies financial concepts to a realistic business or investment situation and provides relevant examples.	15
Analysis and Critical Thinking	Demonstrates logical reasoning, comparison of financial concepts, interpretation of relationships, and sound financial judgment.	10
Organization, Clarity, and References	Assignment is well organized, clearly written, uses appropriate financial terminology, and includes credible sources and proper citations.	15
Total		150

Performance Expectations

- **Excellent (135–150): Demonstrates comprehensive understanding, accurate financial analysis, strong application, and excellent organization.**
- **Good (120–134): Demonstrates good understanding and analysis with only minor errors or omissions.**
- **Satisfactory (105–119): Demonstrates basic understanding but needs greater depth, application, or analysis.**
- **Needs Improvement (Below 105): Demonstrates limited understanding, significant conceptual errors, or incomplete analysis.**

Schedule for ALP - 3340 – Fall 2026 - 8 Week

Weeks	Topic	Readings
	Week 1 – August 24th to 30th August 2026	
25th August 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.
27th August 2026	**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**
	Discussion 1 – Due 31st August, 2026	
	Week 2 – August. 31st August to 6th September 2026	
1st September 2026	**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**

3rd September 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**
Discussion 2 – Due 7th September, 2026		
Assignment 1 – Due 7th September, 2026.		
Week 3 – September 7th to 13th September 2026.		
8th September 2026	**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**
10th September 2026	**CHAPTER 5- NET PRESENT VALUE AND OTHER INVESTMENT 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. **OBJECTIVES -** To understand NPV and other investment rules, compare their strengths and limitations, and apply them in making sound investment decisions.	Textbook Chapters 5 – **Net Present Value and Other Investment Rules**
Discussion 3 – Due 14th September, 2026		
Week 4 – 14th September to 20th September 2026		
15th September 2026	**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. **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.	Textbook Chapters 6 – **Making Capital Investment Decisions**
17th September 2026	**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. **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.	Textbook Chapters 7 – **Risk Analysis, Real Options, And Capital Budgeting**
Discussion 4 – Due 21th September, 2026		
Assignment 2 – Due 21st September, 2026.		
Week 5 – September 21st to 27th September 2026		
22nd September 2026	**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. **OBJECTIVES -** To understand the determinants of interest rates and apply bond valuation techniques for pricing and investment decisions.	Textbook Chapters 8 – **Interest Rates And Bond Valuation**

24th September 2026	**CHAPTER 9 - STOCK VALUATION** - Common Stock Valuation, Some Features of Common and Preferred Stocks and The Stock Markets. **OBJECTIVES** - To learn the methods of valuing stocks and assessing their role in investment and corporate finance decisions.	Textbook Chapters 9 – **Stock Valuation**
Discussion 5 – Due 28th September, 2026		
Week 6 – September 28th to 4th October 2026		
29th September 2026	**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. **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.	Textbook Chapters 11 - **Return, Risk, And the Capital Asset Pricing Model**
1st October 2026	**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. **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	Textbook Chapters 13 - **Risk, Cost of Capital, And Valuation**
Discussion 6 – Due 5th October, 2026		
Assignment 3 – Due 5th Ocober, 2026.		
Week 7 – October 5th to 11th October 2026		
6th October 2026	**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 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. **OBJECTIVES** – To understand the components of capital structure, the role of debt and equity, and theories guiding financing for value maximation.	Textbook Chapters 16- **Capital Structure: Basic Concepts**
8th October 2026	**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**. **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.	Textbook Chapters 22 - **Options and Corporate Finance**
Discussion 7 – Due 12th October, 2026		
Week 8 – October 12–18, 2026 – Clarification of Questions, Comprehensive Review, and Preparation for the Final Examination		
Final Exam – October 15th, 2026.		