



INTERAMERICAN UNIVERSITY OF PUERTO RICO  
METROPOLITAN CAMPUS  
FACULTY OF ECONOMICS AND ADMINISTRATIVE SCIENCES

**SYLLABUS**

**I. GENERAL INFORMATION**

TITLE	:	SEMINAR IN CORPORATE FINANCE
CODE	:	FINA 8000
CREDITS	:	3 (THREE)
ACADEMIC TERM	:	
PROFESSOR	:	
OFFICE HOUR	:	
PHONE NUMBER:	:	
MAIL ADDRESS	:	

**II. DESCRIPTION**

Evaluation of theories and practices related to a specific current topic in corporate finance, considering students research interests.  
(REQUIREMENTS: FINA 7102 and FINA 7200)

**III. OBJECTIVES**

At the end of the Seminar in Corporate Finance and with respect to the selected research topic selected students, students should be able to:

1. Review the modern theory of finance.
2. Compare and link the finance theory to the finance practices.
3. Apply the modern concepts, methods and methodologies of finance research to the industry.
4. Construct research approach.

**IV. CONTENT**

The general description of the course content with respect to the selected research topic includes:

- I. The theoretical background of the selected topic.
  - a. Current theories.
  - b. Actual practices.
  - c. Gaps in finance theories

- II. The link between the finance theories to actual practices.
  - a. The relation between development of finance theories and actual practices with respect to the selected topic.
  - b. Applications to industries.
  - c. Implications to companies practices, locally and globally.
  
- III. Research process approach.
  - a. Source of data.
  - b. Applicable research methods.
  - c. Implications to realizing research on the selected topic.

## **V. ACTIVITIES**

- A. Students should read the material before the discussion in class.
- B. Groups of 2 or 3 students will be formulated to present and discuss some topics in class.
- C. Students are required to search for some topics, literature, and data in the internet to select their research question that is part of the evaluation. Updating the course content to actual financial situations and students needs

## **VI. EVALUATION**

- 1) A free-choice topic (selected by the student and subject to the professor approval, 60%).
- 2) Presentation and participation in class (40%).

These topics should be analyzed in a critical manner with appropriate references. Also, should satisfy the course objectives. The minimum acceptable work is 3,000 words and the maximum not to exceed 5,000 words.

## **VII. SPECIAL NOTES**

### ***Auxiliary Services or Special Needs Services***

Students that require special auxiliary services or special assistance must visit the office of Mr. José Rodríguez, at the University Orientation Program located at the first floor of Harris Building, at the beginning of the course or as soon as the knowledge for the need of such services is acquired.

### ***Honesty, Fraud, and plagiarism Student General Regulation, Chapter 5***

The lack of honesty, fraud, plagiarism and any other inappropriate behavior in relation to the academic work constitute major infringement sanctioned under the Student General Regulation. Major infractions, as provided by the regulation under student infringements can have as a result the suspension of the University for a defined period of time greater than a year or permanent expulsion from the University, among other sanctions.

#### ***Use of Electronic Devices***

Cellular (mobile) telephones and any other electronic device that could interrupt the teaching-learning process or disrupt a milieu favorable for academic excellence will be deactivated. Critical situations will be dealt with in an appropriate manner. The use of electronic devices that permit the accessing, storing or sending of data during tests or examinations is prohibited.

## **VIII. Educational Resources**

### **Books and references:**

Vary depending on the research topic selected.

### **Resources:**

Vary depending on the students' research interest.

### **EXAMPLE OF TOPICS**

Because of the dynamic of the course and the variety of research topic that can be selected by students, it is difficult to establish specific content. The followings are suggested topics:

- Behavioral finance/psychological biases
- The implication of the Tax Cut of 2003
- Mergers and acquisitions
- Layoff
- Signaling
- Downsizing
- Foreign direct investment
- Dividend policy and investment decision
- Earnings management
- Acquisition strategies

## IX. BIBLIOGRAPHY

Vary depending on the selected topics.

### USEFUL AND CLASSICAL REFERENCES

- Gregoriou, Greg N., editor, (2010), *The Banking Crisis Handbook*, CRC Press, Taylor & Francis Group, LLC. ISBN: 978-1-4398-1853-4.
- Yang Binglin, (), *Regulatory Governance and Risk Management*, Routledge, Taylor and Francis Group, ISBN: 978-0-415-89712-9.
- Shiller, R. J.: (2003), "From Efficient Markets Theory to Behavioral Finance", *Journal of Economic Perspectives*, 17 (1), pp. 83-104
- Ackert, L. F., Church, B. K, and Deaves, R.: (2003), "Emotion and Financial Markets", *Economic Review*, 88 (2), pp. 33-41
- Baker, H. K, and Nofsinger, J. R.: (2002), "Psychological Biases of Investors", *Financial Services Review*, 11 (2), pp. 97-116
- Juma'h, Ahmad and Olivares, Carlos (2007), The Economical and Behavioral Determinants of Cash Dividends Policy, *Forum-Puerto Rico University*, Vol. 12, No. 2, December, pp. 54-75.
- Juma'h, Ahmad, Torres, Jimmy and Al-Jaffary, Mohammed, (2006), Valuation Models, *Administrative Science Journal, Metro-IAU*, Fall 2006, Vol. 2, <http://ceajournal.metro.inter.edu>.
- Statman, M.: (2005), "Normal Investors: Then and Now", *Financial Analysts Journal*, 61 (2), pp. 31-37
- Godoi, C. K., Marcon, R., and da Silva, A. B.: (2005), "Loss aversion: A qualitative study in Behavioral Finance", *Managerial Finance*, 31 (4), pp. 46-56
- Stout, L. A.: (2003), "The mechanisms of market inefficiency: An Introduction to the New Finance", *Journal of Corporation Law*, 28 (4), pp. 635-669
- Statman, M.: (1999), "Behavioral Finance: Past battles and Future Engagements", *Financial Analysts Journal*, 55 (6), pp. 18-27
- Bukszar, E.: (2003), "Does overconfidence leads to poor decisions? A comparison of decision making and judgment under uncertainty", *Journal of Business and Management*, 9 (1), pp. 33-43
- Gene Amromin, Paul Harrison, Nellie Liang, Steve Sharp((2005).*How Did the 2003 Dividend Tax Cut Affect Stock Prices and Corporate Payout Policy?* Sept.26,2005
- Howton,S and Howton, S.; (2006) " The Corporate Response to the 2003 Dividend Tax Cut", *Journal of Applied Finance*, 16(1), pp.62-71
- Mcdougall, G.: (1995) "The Economic Impact of Mergers and Acquisitions on Corporations", *Working Paper*
- Boon H.,and Wooi C.: (2003) "Bank Merger and Bank Stock Volatility: A Post-Announcement Analysis", *Managerial Finance*, 30 (4) pp. 29-47
- Gong S., and Firth M.: (2006) "The Competitive Effects of Airline Mergers and Acquisitions: More Capital Market Evidence", *Journal of Air Transportation*, 11 (1) pp.88-105

Rosen, R. (2006) "Merger Momentum and Investor Sentiment: The Stock Market Reaction to Merger Announcements", *The Journal of Business*, 79 (2) pp.987-1017

Flanegin, F. R. and Rudd, D. P.: (2005), "Should Investment Professors Join the 'Crowd'", *Managerial Finance*, 31 (5), pp. 28-37

Jennifer L. Bloin, Jana Smith Ready, Douglas A. Shackelford, "The Initial Impact of the 2003 Reduction in the Dividend Tax Rate" Pg. 1-38, October, 2004

Jon Kyl, (2004) "The Dividend Tax Cut: A success story with more potential" Oct. 4, 2004.

Lasalle Bank "Tax Cut 2003" June 2003 Pg.2-10 Wealth Management Group

Ma Y., Sun H., and Tan.: (2004) "The Valuation Effect of Government's Merger Challenges: Evidence from a Regulated Industry", *Quarterly Journal of Business and Economics*, 43 (1/2) pp.3-20

Massa, M. and Simonov, A.: (2005), "Behavioral Biases and Investment", *Review of Finance*, 9, pp. 483-507

Matt Benge. "Taxes, corporate financial policy and investment decisions in Australia *Economic Record*." (2003)Vol. 73. Iss 220;pg1.15

Raj Chetty, Emmanuel Saez,(2005) "The Effects of the 2003 Dividend Tax Cut on Corporate Behavior: New evidence about the impact of taxing Corporate Source Income H2, ASSA 2006 Session

Steven A. Bank "Dividends and tax policy in the Long Run" (2006) American Law and Economics Association Annual Meeting

Massa, M. and Simonov, A.: (2005), "Behavioral Biases and Investment", *Review of Finance*, 9, pp. 483-507

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Wealth Management Group

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Ma Y., Sun H., and Tan. (2004) "The Valuation Effect of Government's Merger Challenges: Evidence from a Regulated Industry", *Quarterly Journal of Business and Economics*, 43 (1/2) pp.3-20

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Rosen, R.(2006) "Merger Momentum and Investor Sentiment: The Stock Market Reaction to Merger Announcements", *The Journal of Business*, 79 (2) pp.987-1017

### **Electronic Resources:**

Useful Pages of the University

<http://www.inter.edu>

<http://metro.inter.edu/>

<http://web.inter.edu/>

Information and Technology Center of the University

<http://cai.inter.edu/>

[http://cai.inter.edu/main\\_pages/econo\\_fina\\_negoci.htm](http://cai.inter.edu/main_pages/econo_fina_negoci.htm)

Emerald Base of Data

The Faculty of Economics and Business Administration Journal

<http://ceajournal.metro.inter.edu/>

External Base of Data

Yahoo financial

Security and Exchange Commission (SEC)

American Institute of Certified Public Accountant

World Bank

<http://www.federalreserve.gov/releases/zl/Current/zlr-4.pdf>  
<http://www.census.gov/ipc/www/idbpyr.html>  
[www.wikipedia.org](http://www.wikipedia.org)  
<http://www.aeaweb.org/RFE>

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