BPHD 8230-090: Theory of Corporate Finance
Fall Semester, 2022

Professor: David C. Mauer
Office: Friday Building Room 349, phone (704) 687-7707
Email: dmauer@uncc.edu
Class: Monday 5:30 pm – 8:15 pm, FRIDAY 207
Office Hours: By Appointment

Course Objective

The purpose of this course is to broaden your understanding of the key concepts and theories in corporate finance. In the initial class sessions, I will lecture on theories of capital structure and payout policies. The following class sessions will be paper presentations and discussions.

Course Materials

1. Lecture Notes. I will provide copies of my lecture notes.

2. Papers. See the list of papers on the following pages. All papers are available online and can be downloaded through the Atkins Library web portal (https://library.uncc.edu) by searching under ‘Journals’. We will not be discussing all the papers. Rather, the list of papers will give students an opportunity to select papers for presentation that match their interests.

Grading

1. Paper Presentations 35
2. Class Participation 15
3. Problem Sets 15
4. Research Paper 35

Grading Scale

The grading scale for the course is as follows:

<table>
<thead>
<tr>
<th>Letter Grade</th>
<th>Wtd. Avg. %</th>
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<tbody>
<tr>
<td>A</td>
<td>≥ 90</td>
</tr>
<tr>
<td>B</td>
<td>[78, 89]</td>
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<tr>
<td>C</td>
<td>[68, 77]</td>
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<tr>
<td>U</td>
<td>≤ 67</td>
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1. Paper Presentations

Paper Presentation Guidelines: Each paper presentation should include the following components: (1) problem statement and motivation; (2) brief survey of the relevant literature; (3) concise and intuitive explanations of theoretical arguments and/or empirical methodology; (4) summary of main results and contributions; (5) critical examination of the strengths and weaknesses of the paper; and (6) possible extensions for future research. You will be evaluated on the organization of your presentation, your ability to synthesize and explain the material, and your ability to answer questions.

2. Class Participation

I have high expectations for attendance, preparation, and participation in class discussions. You should carefully read all assigned papers before class.

3. Problem Sets

There are problem sets for various topics in the class lecture notes. I will distribute these in class as we progress through the notes. You will be asked to work on the problems and turn them in for a grade.

4. Paper

The minimum requirements for the paper are as follows:

1. The paper must be on a topic in corporate finance (or closely related area) and the paper must be single-authored. Please ask me if you are in doubt about whether a topic is acceptable.
2. Conduct a literature review that discusses key papers that are related to your research topic.
3. Explain how your research idea contributes to the existing literature.
4. Discuss testable hypotheses.
5. Discuss research methods appropriate for testing your hypotheses. For example, if you plan to implement a difference-in-differences econometric methodology provide the specification and discuss the interpretation of the coefficient estimates.
6. Discuss data sources, key variables, and control variables.

It would be nice if you could provide some initial results. However, I realize that you have limited time to complete this portion of the course requirements by the deadline (see below).

Discuss with me corresponding content/requirements if you plan to write a theory paper.

Your paper is due Monday, December 12 by 11:59 pm. It should be sent to me as an email attachment.
Papers by Topic Area

We will discuss a subset of the following papers in class.

**Bankruptcy**


**Banks**


**Bank Lines of Credit**


**Capital Structure**


**Cash**


**CEO Overconfidence**


**Compensation**


**Convertibles**


**Corporate Governance**


**Credit Ratings**


**CSR**


**Culture**


**Debt Maturity**


**Debt Structure**


**Diversification**


**Empirical Methodology**


**Equity Issues**


**Financial Constraints**


**Innovation**


**Investment**


**IPOs**


**Labor**


**Limited Liability**


**Mergers and Acquisitions**


**Payout Policy**


**Product Markets**


**Real Options**


**Surveys in Corporate Finance**


**Taxes**


**Trademarks and Brand Equity**


**Turnover**


Important University and/or College Policies (see legal.uncc.edu for more information)

- **ACADEMIC INTEGRITY.** All UNCC students have the responsibility to be familiar with and to observe the requirements of The UNCC Code of Student Academic Integrity (see the Catalog). This code forbids cheating, fabrication or falsification of information, multiple submission of academic work, plagiarism, abuse of academic materials (such as Library books on reserve), and complicity in academic dishonesty (helping others to violate the code). Any further specific requirements or permission regarding academic integrity in this course will be stated by the instructor, and are also binding on the students in this course. Students who violate the code can be punished to the extent of being permanently expelled from UNCC and having this fact recorded on their official transcripts. The normal penalty is zero credit on the work involving dishonesty and further substantial reduction of the course grade. In almost all cases, the course grade is reduced to F. If you do not have a copy of the code, you can obtain one from the Dean of Students Office. Standards of academic integrity will be enforced in this course. Students are expected to report cases of academic dishonesty they become aware of to the course instructor who is responsible for dealing with them.

- **ATTENDANCE.** Students are expected to attend all scheduled sessions in the courses for which they are registered and are responsible for completing the work from all of the class meetings. Absences from class may be excused by the instructor for such reasons as personal illness, religious holidays, participating as an authorized University representative in an out-of-town event, or unavoidable professional responsibilities that require missing a class. Whenever possible, students are expected to seek the permission of the instructor prior to absences.

- **DISENROLLMENT.** At the discretion of the department offering a course, a student may be disenrolled from a course section if he or she does not attend the first scheduled meeting of the section. The department chair has the responsibility for providing timely notification to the student who is disenrolled.

- **COURSE WITHDRAWAL.** Under the UNCC Course Withdrawal Policy, students may withdraw from a course until the withdrawal deadline and the mark of W will be assigned. No withdrawals will be permitted after the course withdrawal deadline. It is the student's responsibility to determine by the withdrawal deadline whether to withdraw from the course or stay in for a grade.

- **DIVERSITY.** The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to, ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socioeconomic status.

- **UNC Charlotte is committed to access to education.** If you have a disability and need academic accommodations, please provide a letter of accommodation from Disability Services early in the semester. For more information on accommodations, contact the Office of Disability Services at 704-687-0040 or visit their office in Fretwell 230.

**Policies Related to COVID-19**

Students are expected to attend every class and remain in class for the duration of the session when it is safe to do so in accordance with university guidance regarding COVID-19. Failure to attend class or arriving late may impact your ability to achieve course objectives which could affect your course grade. An absence, excused or unexcused, does not relieve a student of any course requirement. Regular class attendance is a student’s obligation, as is a responsibility for all the work of class meetings, including tests and written tasks. Any unexcused absence or excessive tardiness may result in a loss of participation points.
Students are encouraged to work directly with their instructors regarding their absence(s). For absences related to COVID-19, please adhere to the following:

- **Complete your Niner Health Check** each morning.
- **Do not come to class if you are sick.** Please protect your health and the health of others by staying home. Contact your healthcare provider if you believe you are ill.
- **If you are sick:** If you test positive or are evaluated by a healthcare provider for **symptoms of COVID-19**, indicate so on your Niner Health Check to alert the University. Submit a copy of your Niner Health Check notification email to your instructors. Upon learning that you have tested positive or have been diagnosed for symptoms of COVID-19, either from your reporting or from Student health Center testing or diagnosis, representatives from Emergency Management and/or the Student Health Center will follow up with you, and your instructors will be notified of the need for accommodations, as necessary.
- **If you are unvaccinated** and have been notified to self-quarantine due to exposure, indicate so on your Niner Health Check to alert the University. Representatives from Contact Tracing/Emergency Management and/or the Student Health Center will follow up with you as necessary. Submit a copy of your Niner Health Check notification email directly to your instructors.
- **If you are vaccinated AND symptomatic AND have been notified to self-quarantine** due to exposure, indicate so on your Niner Health Check to alert the University. Representatives from Contact Tracing/Emergency Management and/or the Student Health Center will follow up with you as necessary. Submit a copy of your Niner Health Check notification email directly to your instructors.

To return to class after being absent due to COVID-19, students should follow the instructions at the following website:

https://legal.charlotte.edu/legal-topics/classroom-policies-and-practices/suggested-syllabus-policies-notices