



**FIL 341: Intermediate Business Finance**  
**Spring 2026**

**Professor:** Gunratan (Gene) Lonare

**Day and time:** Tuesday and Thursday

For **class 001 (2:00pm - 3:15pm)** Location: **SFHB 133**

For **class 002 (3:35pm - 4:50pm)** Location: **SFHB 133**

**Email:** [gglonar@ilstu.edu](mailto:gglonar@ilstu.edu) (always mention "FIL 341" in your email subject)

**Office Hours:** Tue & Thur (1.00pm – 2.00pm) or by appointment on any other days

**Office:** SFHB 340

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**Course Description**

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Corporate finance focuses on investment and financing decisions, which are the core focus of any financial manager. This course provides the knowledge and skills needed to understand corporate and personal financial decisions. The course begins by examining the fundamental goals of the corporation, the role of corporate governance, and potential agency problems. We will then develop essential analytical tools, including financial analysis and the core principles of the time value of money for calculating present values, and apply them to the valuation of financial securities such as bonds and stocks. A significant focus will be placed on capital budgeting, evaluating long-term investment opportunities using criteria like Net Present Value (NPV), and understanding the process of making sound investment decisions. Finally, the course will delve into financing decisions, explore the relevance of debt policy, determine optimal capital structure, understand the various kinds of debt available to corporations, and conclude with an overview of corporate restructuring activities like mergers. The course will also explore how AI is applied in financial decision-making and analysis.

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**Recommended Textbook**

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Please note that the following books are just recommended and NOT mandatory. You have a choice to refer to any other resources.

**1. Principles of Corporate Finance by Brealey, Myers, Allen, and Edmans, 14<sup>th</sup> edition**

This is the latest edition of the textbook. My class slides are based on this latest edition. However, you can also use the previous editions (recommended 10-13) of this book; it won't affect the course content. It is your choice whether to buy it or not.

**2. Excel Modeling in Corporate Finance by Craig W. Holden, 5<sup>th</sup> edition**

You can also get the 4<sup>th</sup> edition. It is your choice whether to buy it or not.

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**Excel prep course (Optional)**

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This course extensively utilizes Excel for financial analysis. Students are strongly encouraged to gain hands-on experience with Excel prior to the course. It is the student's responsibility to be familiar with Excel functions and the basic skills required for financial modeling. To prepare, students may complete any online Excel certification or training program, for example,

- *Wall Street Prep Excel Crash Course*. Get this course at a discounted price using this link: <https://gv142.infusionsoft.com/app/manageCart/addProduct?productId=8143>
- LinkedIn Learning (<https://www.linkedin.com/learning>). It is free with ISU credentials.

### **Instructional Method and Course Materials**

This course will be conducted in person with classroom lectures. Online homework will be assigned after the completion of each chapter. Course material will be posted periodically on the Canvas course page as we progress through the course. All the grades on homework and exams will be available on your **Canvas** account. This is a link to your **Canvas** course page: <https://illinoisstate.instructure.com/courses/44973>

Please note that **my two sections of the same course, FIL 341 001 and 002, use the same Syllabus copy and the Canvas course web page.**

### **Exam and homework policies**

Students are required to regularly check their Canvas account for announcements on Exam dates and homework due dates. The excuse of not checking the announcements for missing due dates will not be considered. A student failing to take any Exam without valid proof (based on ISU policies) will be given a zero score for the exam. Additionally, missing homework deadlines will result in a zero score for the homework assignment.

### **Grading Policy**

	<b>Weightage</b>	<b>Final grades based on Total %</b>
Exam 1	15%	>=90% = A
Exam 2	20%	80-89% = B
Exam 3	20%	70-79% = C
Homework	15%	60-69% = D
Project 1	12%	< 60% = F
Project 2	10%	
Attendance	5%	
Professionalism	3%	
<b>Total</b>	<b>100%</b>	

Please note that no additional homework or assignments will be offered to increase grades, so please don't ask for it.

### **Exams (55%):**

- There are **three exams**, and **scores of all three exams will be considered** for your final grade.
- They are **in-person computer-based exams (closed-book) conducted in a computer lab**.
- The exams may be administered on **LockDown Browser** or **ProctorTrack**.
- You are allowed to bring 1 page (max 8.5"x11" or print paper size) of a **handwritten note** (could be on both sides).
- You are also **allowed to use Excel** and any calculator during tests.
- The exams are **NOT cumulative**.
- Exams will cover homework and lecture notes consistent with the tentative class schedule. The format of the exams will be multiple-choice (a mix of numerical and conceptual) questions.
- **Students are responsible for ensuring their ISU login credentials are functional**. If an exam is administered in a computer lab, **students must use the lab computers** and may not use personal laptops.
- Students who are unable to attend a scheduled examination must present valid documentation approved by ISU's policies before the test date (at least one week before in case of non-health reasons). The student will receive a zero score in case of missed exams without valid documentation.
- Students must send me the documents/proofs for their missing classes or exams. These documents/proofs should first be validated by the Dean of Students Office ([DeanOfStudents@IllinoisState.edu](mailto:DeanOfStudents@IllinoisState.edu))

### **Homework (15%):**

- Homework will be assigned (individually) for each chapter on Canvas.
- Homework will have due dates. No late homework is allowed.
- **The lowest HW score will be dropped.**

### **Projects (22%):**

There are two projects for this course. You will be working individually on these projects. For the first project, **note that each students need to record their presentation with video**. I will provide more details about these projects in the class. **Projects that rely entirely on AI-generated work, without meaningful student input, will receive a zero score.**

### **Attendance (5%)**

- Attendance is taken at the end of every class.
- Please check out the university's information on excused absences.  
<https://news.illinoisstate.edu/2022/02/faq-university-excused-absences/>  
<https://deanofstudents.illinoisstate.edu/contact/absence/>

### **Professionalism and Ethical Conduct (3%)**

All students are expected to be familiar with and adhere to the College of Business Standards of Professional Behavior and Ethical Conduct, available at:

<https://business.illinoisstate.edu/downloads/about/Standards%20of%20Professional%20Behavior.pdf>

Please note that only bottled water may be consumed in the classroom. Professionalism accounts for 3% of the final course grade and reflects students' conduct throughout the semester. Professional behavior includes being respectful, attentive, and prepared. Professionalism points may be **reduced** for behaviors that are unprofessional, including but not limited to:

- Repeatedly arriving late, leaving early, or exiting during class activities
- **Use of mobile phones, laptops**, or other electronic devices unless it is permitted.
- Mobile phone ringing during class
- Side conversations or disruptive behavior
- Eating or drinking in the classroom (except water)

Professional communication is a frequent concern raised by employers. Students are expected to demonstrate professionalism in all course-related communications. When sending emails, students should:

- Clearly indicate the course name and/or number
- Address the instructor appropriately (e.g., **Dr.** or **Professor**)
- Sign their full name (students are encouraged to create an automatic email signature)
- Avoid informal language, slang, or improper grammar in emails
- Include Email signatures information such as: major and expected graduation year, relevant student organization leadership roles, certifications earned.

The Professionalism grade will be updated at the end of the semester.

### **Class Participation (extra points)**

I offer extra credit to students who regularly participate in class discussions. Class participation includes, but is not limited to, asking or answering substantive questions in class and engaging in discussions related to course concepts, both inside and outside the classroom. Participation credit is awarded based on the *quality and relevance* of contributions; administrative or logistical questions (e.g., whether material will be on an exam) do not count toward participation. Participation points are awarded on a relative basis and reflect sustained engagement over the entire semester. Students will see their accumulated participation points at the end of the semester.

<b>Course outline</b>	
Topic	Ch. # from Brealey book
Agency Problems and Corporate Governance	19
Financial Analysis	29
How to Calculate Present Values	2
<b>Exam 1 (Feb 17, class time)</b>	For class 1: Basement Lab 22F
Location:	For class 2: Basement Lab 22H
Valuing Bonds	3
Valuing Stocks	4
NPV and Other Investment Criteria	5
Making Investment Decisions with NPV	6
Project Analysis	10
<b>Exam 2 (March 31, class time)</b>	For class 1: Basement Lab 22F
Location:	For class 2: Basement Lab 22H
Mergers	32
Does Debt Policy Matter?	16
How Much Should a Corporation Borrow?	17
AI in Finance	
The Many Different Kinds of Debt	25
<b>Exam 3:</b> Based on ISU schedule	

\*\* There could be minor changes to this schedule. Any changes will be announced in class.

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### **College of Business Mission**

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Through our shared commitment to excellence in teaching, research, and service, we prepare students to be skilled and ethical business professionals who will make significant positive contributions to organizations, to communities, and to our larger society.

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### **Academic Integrity**

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Students enrolled in College of Business classes are expected to maintain high standards of ethical conduct when completing assignments, projects, and/or exams. Cheating and other forms of academic dishonesty, such as plagiarism, will not be tolerated.