COLLEGE OF BUSINESS
Illinois State University

FIL 341: Intermediate Business Finance
Fall 2025

Professor: Gunratan (Gene) Lonare
Day and time: Tuesday and Thursday
For **class 003** (**2:00pm - 3:15pm**) Location: **SFHB 356**
For **class 004** (**3:35pm - 4:50pm**) Location: **SFHB 355**
Email: 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

Course Description

Corporate finance deals with investment and financing decisions, which are the core focus of any financial manager. This course provides the necessary knowledge and skills to help you 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 time value of money for calculating present values, which will be applied 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.

Recommended Textbook

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, 14th 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, 5th edition**
   You can also get the 4th edition. It is your choice whether to buy it or not.

Excel prep course

This course heavily uses Excel for financial analysis. Therefore, students are required to complete the *Wall Street Prep Excel Crash Course*. **Students receive 5% of the total credits for this Excel course**. It takes around 6-8 hours to finish this course. Please use the following link to get this course at a discounted price (**$30**):
https://gv142.infusionsoft.com/app/manageCart/addProduct?productId=8143

The following is the link for this course:
https://www.wallstreetprep.com/self-study-programs/excel-crash-course

- You must pass this course; you may repeat the test attempts to pass this course.
- Students must complete this course **by September 2, 2025, to get the 5% credit.**
- Under the "Syllabus" section, click "Excel course" and add the email ID you used for registering for this course.
- I will see your progress for this crash course on *wallstreetprep* website using your email IDs and will give you the credits accordingly.
- You do not need to repeat this course if you have already taken it in the past. But you need to add the email ID you used for registering for this course.
- You don't need to send me a copy of your certification.

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://canvas.illinoisstate.edu/courses/39125
Please note that my two sections of the same course **FIL 341 003** and **004** 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

	Weightage
Exam 1	15%
Exam 2	15%
Exam 3	20%
Homework	15%
Project 1	15%
Project 2	10%
Wall Street Excel course	5%
Attendance	5%
Total	**100%**

Final grades based on Total %
>=90% = A
80-89% = B
70-79% = C
60-69% = D
< 60% = F

Exams:

- There are a total of three exams. Scores of all three exams will be considered for your final grade.
- All exams are closed-book. They are in-person computer-based exams and will be conducted in **a computer lab**.
- You are allowed to bring 1 page (max 8.5”x11” or print paper size) of 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 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)

Homework:

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

Projects:

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.

Attendance and Participation

- Please check out the university’s information on excused absentees.
  https://news.illinoisstate.edu/2022/02/faq-university-excused-absences/
  https://deanofstudents.illinoisstate.edu/contact/absence/
- I offer extra credit to those who regularly participate in the class discussion. Class participation includes, but is not limited to, answering my questions in class, asking me questions in class or over email, and discussing anything related to the course outside the class. The class participation points are on a relative basis and depend on the level of participation during the entire semester. Students will see their accumulated points at the end of the semester.

Course outline	
Topic	Ch. # from Brealey 14th ed
Agency Problems and Corporate Governance	19
Financial Analysis	29
How to Calculate Present Values	2
Exam 1 (**Sep 23**, class time) Location:	For class **3**: Basement Lab **16C** For class **4**: Basement Lab **22G**
Valuing Bonds	3
Valuing Stocks	4
NPV and Other Investment Criteria	5
Making Investment Decisions with NPV	6
Project Analysis	10
Exam 2 (**Oct 28**, class time) Location:	For class **3**: Basement Lab **16C** For class **4**: Basement Lab **22G**
Mergers	32
Does Debt Policy Matter?	16
How Much Should a Corporation Borrow?	17
The Many Different Kinds of Debt	25
Application of AI in Corporate Finance	
Exam 3 is on Wednesday, **December 10** Section **3**: **7:50 AM to 9:20 AM** in Lab 16C Section **4**: **6:40 PM to 8:10 PM** in Lab 16C	

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

College of Business Mission

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.

Academic Integrity

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.