COURSE INFORMATION

Level: Postgraduate Course **Course Title:** FIN510 - Corporate Finance	**Semester:** July 2020
CLASS HOURS: **Lecture:** Monday to Friday, 120 minutes each day, for three weeks. **Tutorial:** Monday to Friday, 60 minutes each day, for three weeks. **Consultation:** One hour every week. Specific Consultation time and venue will be announced during the semester. **Field Trip:** None	**CREDITS(s)：3**

OVERVIEW

Course Description:

The objective of this course is to help students to understand core financial principles to evaluate financial decision making. This course should help students to understand conceptual frameworks and tools for solving real-world financial problems both at an individual and corporate level.

This course will cover various theories and practices of corporate finance, including financial statements analysis, security valuation, theories & practices of capital investment decisions, corporate capital structure, analysis of risk & return, dividend decisions &policies and analysis of mergers & acquisitions.

Prerequisites： Students should have knowledge of theories and concepts covered in an Introductory Finance Course. Students without basic knowledge of finance will find this course difficult to understand and complete.

Before choosing this course, students are strongly advised to go through the course contents and match it with their background knowledge, particularly in Finance, Economics and Accounting.

LEARNING OUTCOME

Upon successful completion of this course, students will have the knowledge and skills to:

- Understand and be able to analyse a range of financial decisions by applying the concepts, theories and tools learned throughout this course

Disclaimer: Course schedule is subject to change and you will be responsible for abiding by any such changes.

- Understand the central concepts of modern finance, this includes ability to calculate time value of money, arbitrage, stock valuation, capital structure and dividend policy decisions, investment decisions, analysis of merger & acquisition decision.

- Critically analyse industry-based problems to make sound financial decisions.

- Conduct research for financial decision making and understand how academic research can influence industry practice and policymaking

LEARNING RESOURCES

Textbook:

Corporate Finance, 12th Edition By Stephen Ross and Randolph Westerfield and Jeffrey Jaffe and Bradford Jordan, ISBN10: 1259918947, ISBN13: 9781259918940, Copyright: 2019

WEEKLY SCHEDULE

Week	Day	Topic	Suggested Reading
1	1	Introduction to Corporate Finance Financial Statements Analysis and Financial Models	Chapter 1 & 3 Note: Group Project is based on Chapter 3
	2	Financial Statements Analysis and Financial Models Discounted Cash Flow Valuation **Discussion on Group Assignment** • Group formation • Discuss Structure • Content of the report	Chapters 3 & 4
	3	Return, Risk, and the Capital Asset Pricing Model (CAPM) An Alternative View of Risk and Return: The Arbitrage Pricing Theory	Chapter 11 & 12
	4	Stock Valuation, Financial Markets	Chapter 9
	5	Dividends and Other Payouts	Chapter 19

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	1	Efficient Capital Markets and Behavioural Challenges	Chapter 14
2	2	Interest Rates and Bond Valuation	Chapter 8
	3	Risk, Cost of Capital, and Valuation	Chapter 13
	4	Capital Structure: Basic Concepts **Review**	Chapter 16
	5	**Mid-term Examination**	
	1	Valuation and Capital Budgeting for the Levered Firm	Chapter 18
3	2	Mergers, Acquisitions, and Divestitures **Deadline Group Assignment Submission**	Chapter 29
	3	International Corporate Finance	Chapter 31
	4	**Review**	
	5	**Final Examination**	

ASSESSMENT

Assessment Task	Weighting
Attendance and Participation	**10%**
Group Research Project	**30%**
Mid-term Examination	**30%**
Final Examination	**30%**
Total	**100%**

DETAILS ON GRADE COMPONENTS

Class Attendance and Participation

Class lectures will be a mix of traditional lectures and time spent working together on applications and exercises. To free up more time for working through problems together, students should read the relevant chapter before coming to the class. Discussion sessions will be used to give students an opportunity to clarify their understanding of the topics from the lecture and textbook.

If students miss more than 5 classes and did not receive permissions from the instructor, they will automatically get a letter grade of F for this class, which is a failing grade. If a student has to miss class due to some personal emergencies or family issues, he/she should inform the TA or the instructor to get permission immediately. And students are held responsible for the class

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materials and homework for the class they will miss.

Class participation is highly encouraged by the instructor, and the instructor will provide opportunities for the students to participate during the class period. Students should read all assigned reading materials in order to be well prepared for discussion.

Group Research Project

You are financial analysts. You are writing a report for the board of directors. The project will focus on the financial analysis of a corporation.

Structure of the report

1. Select a company (should be approved by the instructor)
2. Write a half-page introduction to the company
3. Financial Statement Analysis of the corporation (Chapter 3)
4. Conclusion: List strength and weaknesses of the organization, your recommendation(s) based on your analysis.

Note:

- More detailed assessment guidelines will be provided in class.
- The group is expected to work as a team. All the group members MUST involve in group discussion, contribute to the overall quality of the group report.
- Any evidence of students freeloading within a group will get Zero.

Mid-Term and Final Examination:

There will 2 exams for this class, one midterm and one final exam, which is 60% of the total class grade. The instructor will provide practice questions and hold a review session prior to each exam to help students prepare.

Course Grading：

Upon completion of this course, you receive a final grade. A final grade is a letter grade that carries with it a numerical value, as outlined below.

Grade	Mark
A	80-100
B	70-79
C	60-69

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D	50-59
E	0-49

To pass this subject, students are required to obtain Grade C or above in order to satisfy all the intended learning outcomes.

CLASSROOM ETHICS & COURSE POLICIES

Being respectful of others' opinions, values and culture

Cell phones are only permitted when the usage is related to the course. Absolutely **NO TEXTING** during class will be tolerated. If you have an emergency situation and you must be able to be reached, set the phone to vibrate and leave the room immediately when it goes off.

Any student with a documented disability needing academic adjustments or accommodations should notify the instructor or the program administrator before the start of the program, so such an arrangement will be made accordingly.

Any student who anticipates a schedule conflict because of religious reasons should make arrangements within two weeks of the start of class.

Academic misconduct

Please follow the guideline of the university policy. Academic dishonesty or misconduct will not be tolerated and may result in disciplinary action including a grade F for the course. Work submitted must be the original work of the student. Original work may include the words and ideas of others, but the source of these words and ideas must be indicated in a manner consistent with an academically recognized form, style, and citation manual. Resubmission of work previously presented in another course is prohibited.

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