北京理工大学学术学分课程

BIT Academic Credit Courses Program

FIN301 - CORPORATE FINANCE

Syllabus

Jun. 28 - Jul. 16, 2021

Term Duration: Jun. 28 – Jul.16, 2021
Credit Points: 4
Level: Undergraduate
Instructor Name: TBA
Home Institution: Beijing Institute of Technology
Lecture Hour: 15:40-18:40

Course Description

This course examines various theories including the concept of present value, the opportunity cost of capital, discounted cash flow analysis, long term financing and short term financing, risk and return, capital asset pricing model, capital budgeting, corporate capital structure and financing decisions, dividend policy, investment and financial decisions in the international context. Topics like exchange rate/interest rate risk analysis, and corporate governance and control will also be discussed. Most importantly, this course will lead the students to explore the patterns of corporate finance that has shaped the complex terrain of today's global economy. Some empirical findings in Chinese firms will be introduced so that the students will learn the impact of different institutional factors. Overall, the goal of this course is to develop the analytical skills for making corporate investment with regards to financial decisions and risk analysis, meanwhile, to enhance your erudite writing skills to a level that is commensurate with university standards.

Course Aims

Upon successful completion of this course, students should be able to:

1. understand the concepts of modern financial theory and practical tools essential to corporate financial and investment decisions;
2. develop the analytical skills for making corporate investment with regards to financial decisions and risk analysis;
3. analyze the factors that determine a company's need for external financing;
4. develop the tools needed for valuing investment projects, including the determination of the relevant cash flows and the appropriate discount rate and value companies and select investment projects with these basic tools;
5. acquire the knowledge and skills to assess some valuable aspects of modern corporate finance, including risk management and corporate governance;
6. discuss and present the theory and practical tools through case analysis with a team.

Language of Instruction

English

Required Textbook

Corporate Finance Global Edition, 3rd edition
Author: Berk and DeMarzo
Publisher: Pearson Education
ISBN number: 9780273792024

Course Hours

This course requires 48 hours of contact including 42 hours of lectures and one 6-hour field trip. Lectures are from Monday to Friday.

Prerequisite Course

Students are expected to have taken **Principles of Finance**. Introductory level economics and statistics courses will also be helpful.

Course Schedule

Week	Day	Chapter	Topic	Assignment/ Notes
Week 1	Day 1	Introduction	The Corporation; Financial Statement Analysis; Financial Decision Making and the Law of One Price	Group Discussion: What's corporate finance?
	Day 2	Time, Money and Interest Rates	The Time Value of Money; Interest Rates; Valuing Bonds	
	Day 3	Valuing Projects	Investment Decision Rules; Capital Budgeting; Valuing Stocks	
	Day 4	Risk and Return	Capital Markets and the Pricing of Risk; Capital Asset Pricing Model;	
	Day 5	Risk and Return	Cost of Capital; Investor Behavior and Capital Market Efficiency	
Week 2	Day 6	Capital Structure	Capital Structure in a Perfect Market; Debt and Taxes	Case study: discuss the capital structure theory
	Day 7	Capital Structure	Financial Distress, Managerial Incentives; Dividend and Payout Policy	**Mid-semester exam (Closed book)**
	Day 8	Valuation	Capital Budgeting and Valuation with Leverage	Case study: Valuation and Financial Modeling
	Day 9	Options	Financial Options;	
	Day 10	Field trip at fortune 500		
Week 3	Day 11	Options	Option Valuation; Real Options	
	Day 12	Long-term & Short-term Financing	Raising Equity Capital; Debt Financing; Working Capital Management	
	Day 13	Special Topics	Mergers and Acquisitions; Corporate Governance	Case study continued
	Day 14	Review	Guided Revision	
	Day 15	Final Exam		

Note: Due to the epidemic situation, field trip listed in above schedule is subject to change.

Grading Policy

Items	Percentage
Attendance	10%
Mid-semester	20%
Case study	30%
Final Exam	40%
Total	100%

Academic Honesty

Academic honesty is not only a fundamental part of learning and teaching, but also a core value that this course embraces. Behaviors of academic dishonesty, as outlined hereinafter, are unacceptable and will be penalized:

a) Plagiarism where students present work for assessment, publication or otherwise that is not their own, without appropriate attribution or reference to the original source. Plagiarism can include:
    i) paraphrasing or copying published and unpublished work without a reference;
    ii) adopting the ideas or concepts of others, including the structure of an existing analysis without due acknowledgement by way of reference to the original work or source.

b) Collusion, where students present work as independent work when it has in fact been produced in whole or in part with others unless prior permission for joint or collaborative work has been given by the Course Coordinator. Collusion can include:
    i) a student inappropriately assisting with or accepting assistance with the production of an assessment task;
    ii) submitting work which is the same or substantially similar as another student's work for the same assessment task.

c) Cheating, where a student acts in such a way as to seek to gain unfair advantage or assist another student to do so. Cheating can include:
    i) submitting falsified, copied or improperly obtained data relating to results of practicum, field trips or other work as if they were genuine; submitting an assessment task with the intention of deceiving or misleading the instructor about the student's contribution to the work;
    ii) submitting an assessment task written or answered for the student by another person or which the student has copied from another person;
    iii) submitting the same or a substantially similar piece of work for assessment in two different courses (except in accordance with approved study and assessment schemes);
    iv) a student falsely indicating that they have been present at an activity where attendance is required;
    v) completing an assessment task outside the conditions specified for that task.

d) Cheating in Examinations means engaging in dishonest practice or breaching the rules regarding examinations, which can include:

i) communicating in any way during an examination with any person who is not an examination supervisor inside or outside the examination venue;
ii) giving or accepting assistance from any person who is not an examination supervisor whilst in the examination venue;
iii) reading, copying from or otherwise using another student's work in an examination or knowingly allowing a student to do so;
iv) possessing, referring to or having access to any material or device containing information directly or indirectly related to the subject matter under examination, other than that explicitly approved by the Course Coordinator;
v) acquiring, or attempting to acquire, possess or distribute examination materials or information without approval;
vi) permitting another person to attend an examination on a student's behalf or attending an examination on behalf of another student;

e) Other dishonest acts including but not limited to:
i) altering or falsifying any document or record for the purposes of gaining academic advantage;
ii) offering or giving money or any item or service to a University staff member or any other person to gain academic advantage for the student or another person;
iii) inventing references.