



北京理工大学国际特色课程

Beijing Institute of Technology Global Courses

FIN9630 - APPLIED CORPORATE FINANCE

Syllabus

July. 1 - July. 19, 2024

Term Duration: July. 1 - July. 19, 2024

Credit Points: 4

Level: Postgraduate

Instructor Name: TBA

Home Institution: Beijing Institute of Technology

Lecture Hour: 9:00-12:00

Course Description

This course provides comprehensive training in finance with a particular focus on corporate finance. It not only concludes the basic concepts and framework of corporate finance, such as the present value, the opportunity cost of capital, discounted cash flow analysis, long-term financing and short-term financing, risk and return, capital budgeting, corporate capital structure, but also analyzes the capital structure, capital asset pricing model, cost of capital, dividend policy, and related corporate financial policy issues in the international context. The theoretical basis and practical application are explored; emphasis will be placed on the valuation of firms and investment projects, optimal capital structure, mergers and acquisitions, and financial accounting. The practice module provides students with additional training in industry-relevant skills ranging from presentation skills to Excel training, teamwork, and team projects/assessments. Also, students must finish a corporate finance project and an industry visiting experience. After completing this course, students will be well-prepared with the basic knowledge and skill for making corporate investments concerning financial decisions and risk analysis.

Course Aims

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

1. understand the concepts of modern financial theories and practical tools essential to corporate finance and investment decisions;
2. develop the analytical skills for making the corporate investment with regard to financial decisions and risk analysis;
3. learn how to establish policies for funding, debt, and dividends that are coherent with the aims, and objectives of the company;
4. learn about instruments for evaluating companies, managing mergers, and fusion operations.
5. demonstrate the ability to construct a company report which is logically and professionally presented.

Language of Instruction

English

Required Textbook

Corporate Finance Global Edition, 3rd edition

Author: Berk and DeMarzo

Publisher: Pearson Education

ISBN number: 9780273792024

Principles of Corporate Finance, 13th edition

Author: Brealey, Myers and Allen

Publisher: McGraw Hill

ISBN number: 9781259144387

Additional copywritten material (e.g., readings) will be provided by the lecturer.

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 Financial Goal of the Corporation	Group Discussion: The Role of the Financial Manager
	Day 2	Cash Flow Management	Ratio analysis, the sources and uses of funds statement, and proforma statements	
	Day 3	Cash Flow Management	Determining a Firm's Financial Health	Case study: Evaluating Financial Performance
	Day 4	Capital Structure and Financing Needs	Risk and Return; Cost of Capital; Investor Behavior and Capital Market Efficiency Validity and Role of the Capital Asset Pricing Model	Group Discussion: Optimal mix of debt and equity financing
	Day 5	Capital Structure and Financing Needs	The Capital Investment Process; Investment Decision Rules; Sensitivity Analysis; Monte Carlo Simulation	Group Discussion: When can returns be compared?
Week 2	Day 6	Capital Structure and Financing Needs	Capital Structure in a Perfect Market; Debt and Taxes Financial Distress;	Case Study: The optimal capital structure
	Day 7	Dividend and Payout Policy	Facts About Payout; The Payout Controversy	Mid-semester exam (Closed book)
	Day 8	Project and Company Valuation	Different valuation methods including the determination of the relevant cash flows and the appropriate discount rate	
	Day 9	Project and Company Valuation	Calls, Puts, and Shares; Financial Alchemy with Options Option Valuation; Real Options	Corporate finance research project
	Day 10	Industrial Visit		
Week 3	Day 11	Debt Financing	Credit Risk and the Value of Corporate Debt; Long-Term Bonds	
	Day 12	Debt Financing	Operating Leases; Valuing Financial Leases	
	Day 13	Corporate Acquisition and Risk Management	Mergers and Acquisitions; Corporate Risk Governance	Optional Reading: Merger Motives and Merger Prescriptions

	Day 14	Review	Guided Revision	
	Day 15	Final Exam		

Note: Students will be notified if the schedule of the field trip changes according to the situation.

Grading Policy

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

Attendance: Students are expected to attend all course sessions punctually. Absences will impact the attendance grade. We will have some topic discussion and group discussion in class and the performance will be considered as partial attendance points or bonus.

Mid-Semester Test: The test will be conducted over a duration of 1 hour and is a closed-book examination.

Case Studies: Case studies will require students to work in groups. Write a report (at least 3000 words), present it and submit both the report and presentation slides after the presentation. Each group's presentation should last between 20 to 30 minutes in total.

Final Exam: The final exam will be a comprehensive, closed-book assessment that covers the entire course content. The exam will be conducted over a duration of 3 hours.

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.