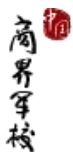




# PHBS

北京大学汇丰商学院



## Course Code FIN530 Corporate Finance Session F1 Module II, 2022-2023

### Course Information

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**Instructor: Yuchen XU**

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Office Hour: Tuesday 14:00-16:00 (or by appointment)

**Teaching Assistant:**

Phone:

Email:

**Classes:**

Lectures: Mon & Thur 10:30-12:20

Venue: PHBS Building, Room

**Course Website:**

PHBS Course Management System (CMS): cms.phbs.pku.edu.cn. The enrolment code will be announced in class.

All students must register into CMS because the course assignments will be distributed and submitted through the course website.

Note: Please enter your name in ENGLISH when you register on CMS because the system does not recognize Chinese characters.

### Course Description

#### 1.1 Context

Course overview:

The course introduces students to the subject of corporate financial management. The aim of this course is to examine how decision making by corporate managers can enhance shareholder value. Particular attention is paid to investment decisions (e.g., the choice of investment projects) and financing decisions (e.g., the choice of debt and equity).

Emphasis is given to value measurement as well as value creation. Capital markets are introduced as the benchmark for all valuation purposes, and as a useful tool to infer essential information needed for financial valuation and decision-making.

Prerequisites:

This course presumes that students have taken basic courses in accounting, economics, and finance.

#### 1.2 Textbooks and Reading Materials

Lecture notes, assignments, and other useful materials will be posted on the course web page.

**Textbook:**

*Corporate Finance*, by Ross, Westerfield, Jaffe, and Jordan. McGraw Hill, 11<sup>th</sup> ed. (RWJJ)

## **1. Learning Outcomes**

### **2.1 Intended Learning Outcomes**

<b>Learning Goals</b>	<b>Objectives</b>	<b>Assessment (YES with details or NO)</b>
1. Our graduates will be effective communicators.	1.1. Our students will produce quality business and research-oriented documents.	
	1.2. Students are able to professionally present their ideas and also logically explain and defend their argument.	✓
2. Our graduates will be skilled in team work and leadership.	2.1. Students will be able to lead and participate in group for projects, discussion, and presentation.	✓
	2.2. Students will be able to apply leadership theories and related skills.	
3. Our graduates will be trained in ethics.	3.1. In a case setting, students will use appropriate techniques to analyze business problems and identify the ethical aspects, provide a solution and defend it.	
	3.2. Our students will practice ethics in the duration of the program.	
4. Our graduates will have a global perspective.	4.1. Students will have an international exposure.	
5. Our graduates will be skilled in problem-solving and critical thinking.	5.1. Our students will have a good understanding of fundamental theories in their fields.	✓
	5.2. Our students will be prepared to face problems in various business settings and find solutions.	✓
	5.3. Our students will demonstrate competency in critical thinking.	✓

### **2.2 Course specific objectives**

The objectives of this course are to give students the capacity to understand the theory and apply, in real world situations, the techniques that have been developed in corporate finance, and to give the big picture of corporate finance so that students can understand how things fit together.

### **2.3 Assessment/Grading Details**

The course grade will be determined by the following scheme:

Mid-term exam	20%
Group Project	30%
Class attendance & participation	10%
Final exam	40%
Total	100%

### **2.4 Academic Honesty and Plagiarism**

It is important for a student's effort and credit to be recognized through class assessment. Credits earned for a student work due to efforts done by others are clearly unfair. Deliberate dishonesty is considered academic misconducts, which include plagiarism; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis.

All assessments are subject to academic misconduct check. Misconduct check may include reproducing the assessment, providing a copy to another member of faculty, and/or communicate a copy of this assignment to the PHBS Discipline Committee. A suspected plagiarized document/assignment submitted to a plagiarism checking service may be kept in its database for future reference purpose.

Where violation is suspected, penalties will be implemented. The penalties for academic misconduct may include: deduction of honour points, a mark of zero on the assessment, a fail grade for the whole course, and reference of the matter to the Peking University Registrar.

For more information of plagiarism, please refer to *PHBS Student Handbook*.

## 2. Topics, Teaching and Assessment Schedule

The following course outline is an approximate schedule of topics to be covered. *Please note that it is subject to change.*

	Date		Topics	Notes
1	11/22/2021	Mon	Introduction	
2	11/25/2021	Thu	Time Value of Money, DCF method	
3	11/29/2021	Mon	Bond Valuation	
4	12/1/2021	Wed	Stock Valuation – Discount Dividend	Case 1 Jaguar
5	12/2/2021	Thu	Stock Valuation – Free Cash Flow	
6	12/6/2021	Mon	Project Cash Flow	Case 2 Walmart
7	12/9/2021	Thu	Decision Rules, CAPM	
8	12/13/2021	Mon	CAPM	Case 3 Hola-Kola
9	12/16/2021	Thu	Capital Structure- M&M Theorem, WACC	
10	12/22/2021	Wed	Capital Structure- M&M Theorem, tax shield	Case 4 Innocents
11	12/23/2021	Thu	Capital Structure- M&M Theorem other costs	
12	12/27/2021	Mon	Capital Structure- M&M Theorem other costs	Case 5 Boeing 777
13	12/30/2021	Thu	Valuation of levered firms	
14	1/5/2022	Wed	Other Valuation Methods (APV, Multiples)	Case 6 Heinz
15	1/6/2022	Thu	Raising Capital, VC and PE	
16	1/10/2022	Mon	Raising Capital, VC and PE	Case 7 Alibaba
17	1/13/2022	Thu	Mergers and Acquisitions	
18	1/17/2021	Mon	Mergers and Acquisitions	Case 8 Conrail

## 3. Miscellaneous

### ***Class Attendance and Absence Allowance***

Class attendance is required. You will be asked to take attendance in two random classes. Each attendance record accounts for 5% of the final grade.

Being active in class by asking relevant questions and providing good answers is highly encouraged and will be rewarded. Suppose you missed the class with attendance taking, you can make it up by being active in the other classes. The students that I feel made significant positive contribution to the learning environment of the classroom will be granted with additional points. The total points of class attendance and participation will not exceed 10% of final evaluation.