

**Corporate Finance**

|                      |                   |                      |                            |
|----------------------|-------------------|----------------------|----------------------------|
| <b>Course Title</b>  | Corporate Finance |                      |                            |
| <b>Course Code</b>   | FIN 605           | <b>Course Type</b>   | Specialization or Elective |
| <b>Credit</b>        | 3                 | <b>Contact Hours</b> | 45 Hours                   |
| <b>Prerequisites</b> | FIN501            | <b>Co-Requisites</b> | None                       |
| <b>Duration</b>      | 15 Weeks          | <b>Class Type</b>    | Lecture                    |

| SolBridge GACCS Objectives      | %  | Learning Objectives   |
|---------------------------------|----|---|
| 1. Global Perspective           | 40 | Students will be equipped with conceptual and analytical tools needed for corporate finance analysis and implication. Classroom case discussions and conceptual material will cover a wide range of countries from American, Europe and Asia. |
| 2. Asian Expertise              | 10 |   |
| 3. Creative Management Mind     | 40 |   |
| 4. Cross Cultural Communication | 0  |   |
| 5. Social Responsibility        | 10 |   |

**Course Description**

This course emphasizes the modern fundamentals of the theory of finance and its applications with corporate finance cases in the whole world. Financial analysis and forecasting, cost of capital, capital budgeting, resource allocation, dividend policy, and corporate capital structure will be studied. This course studies the factors of a successful corporate finance.

**Learning and Teaching Structure**

The Course will be taught as a mixture of lectures, exercises and case studies. Each session will involve class discussion. In some instances, discussion will be on lectures; in others it will be on a finance case in the global market. You should read the cases, come to class, and participate in class discussion.

| Assessment   | %  | Text and Materials  |
|--------------|----|---|
| Attendance   | 20 | Robert Bruner, "Case Study in Finance", 7 <sup>th</sup> edition, McGraw Hill, 2014                              |
| Homework     | 20 | Sheridan Titman and John Martin, "Valuation", new international edition, 2 <sup>nd</sup> edition, Pearson, 2014 |
| Midterm Exam | 20 | Berk and Demarzo, "Corporate Finance", Pearson, 2014  |
| Final Exam   | 40 | Ross, "Modern Financial Management", 8 <sup>th</sup> edition, McGraw Hill, 2008                                 |
|              |    | Working Capital Simulation: Managing Growth, Harvard Business Online Simulation, HPB Product 4302.              |
|              |    | Finance Simulation: Capital Budgeting, Harvard Business Online Simulation, HPB Product 3357.                    |

**Course content by Week**

|    |  |
|----|--|
| 1  | Overview, Global Financial Market, Social Responsibility   |
| 2  | Discounted Cash Flow; What Good Are Shareholders? Justin Fox and Jay W. Lorsch, <i>Harvard Business Review</i> , 2012 August   |
| 3  | WACC; Do You Know Your Cost of Capital? Michael T. Jacobs and Anil Schivdasani, <i>Harvard Business Review</i> , 2012 August.  |
| 4  | Capital Budgeting; Valuing Cash Flows; Seize Advantage in a Downturn, David Rhodes and Daniel Stelter, <i>Harvard Business Review</i> , 2009 February.<br>The Five Competitive Forces that Shape Strategy, M. Porter, <i>Harvard Business Review</i> , 2008 January. |
| 5  | Working Capital Management   |
| 6  | Cost of Capital; Mean-Variance Synthesis of Corporate Financial Theory, Mark E. Rubinstein, <i>Journal of Finance</i> , January 1974   |
| 7  | Cost of Capital  |
| 8  | Mid term   |
| 9  | Capital Budgeting; Debt Policy and Value (Effects of Tax Shields)  |
| 10 | Capital Budgeting and Marketing  |
| 11 | Dividend policy; Corporate Financing Policy (Concepts in Setting Financial Policy)   |
| 12 | Stock Repurchase   |
| 13 | Capital Structure  |
| 14 | Financial Restructuring  |
| 15 | Final  |