



浙江大學

FINS903
Corporate finance

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Instructor Contact Details

Lecturer-in-charge: TBA

Email: wlwyxy_29@zju.edu.cn

Office location: Huajiachi Campus, Zhejiang University

Consultation Times: to be announced, and by appointment

Teaching Times and Locations

The Time and Location: TBA, Huajiachi Campus, Zhejiang University

Lecture sessions include lectures, seminars, field trip(s) as well as in-class activities.

Academic Level

Postgraduate

Units of Credit

The course is worth 6 units of credit

Contact Hours

The course contains a total of 53 contact hours, which consists of an orientation meeting, 13 lecturing seminars, a revision day, a field trip and a final exam. Each seminar is 180 minutes in length, while the field trip is 300 minutes and the final exam costs 120 minutes. Students will receive an official transcript which is issued by Zhejiang University when completing this course.

Credit Hours

The number of credit hours of this course equals to the credits of a standard semester-long Australian university course.

Course Description:

The purpose of this course is to provide the conceptual foundations for making intelligent financial decisions by developing an understanding of modern corporate financial theory and practice. The course covers different securities used to raise external capital with an emphasis on the institutional aspects of acquiring capital. Capital structure theory is explained in detail with an in-depth analysis of market imperfections such as taxes, cost of financial distress, agency and informational issues. Payout policy and different payout strategies are discussed. The course then introduces different financing instruments and strategy, followed by discussions of corporate liquidity management. The course ends with discussion of special topics dealing with the market for corporate control and corporate governance. Throughout the course, theoretical discussions will be accompanied by numerical examples, analysis of real world examples, evaluation of empirical evidence, and a case.

Prerequisite:

N/A

Learning Resources

Peirson, G., Brown, R., Easton, S., Howard, P. & Pinder S. Business Finance, McGraw-Hill, 12th edition, 2014.

Berk, J. and DeMarzo, P. Corporate Finance (Fifth Edition), Pearson Education, Harlow.

Learning Objectives

By the end of this course you should be able to:

- Gain an understanding of financial markets and processes.
- Learn techniques for determining the intrinsic value of securities.
- Discover the complex interaction between the economy, the financial markets, and psychology.

- Become comfortable engaging in discussion and debate over finance and related issues.

Course Delivery:

The following course will be taught in English and it will comprise of lectures, tutorials, projects, presentations and group activities. In addition to these, there will also be guest speakers and optional field trips available for students who would like to enhance their learning experience. The course will be delivered within 13 sessions, with each session totaling 3 hours-inclusive of both the lecture and tutorial. These sessions will be running during weekdays, Monday to Friday. Students are expected to engage in class discussions and work cooperatively during group work.

Topics and Course Schedule:

Topic	Activities
Orientation	
Course Introduction Financial Mathematics	Lecture; Tutorial
Cost of capital	Lecture; Tutorial
Capital Structure in a Perfect Market - Modigliani and Miller Theorem	Lecture; Tutorial
Capital Structure in an Imperfect Market (1) - The Interest Tax Shield Capital Structure in an Imperfect Market (2) - Bankruptcy Cost - Agency Cost of Debt	Lecture; Tutorial
Capital structure (3) Capital structure (4)	Lecture; Tutorial

Seminar	
Optimal Capital Structure - Trade-off Theory vs. Pecking Order Theory	Lecture; Tutorial
Corporate Payout Policy	Lecture; Tutorial
Midterm exam	
Equity Financing	Lecture; Tutorial
Debt Financing	Lecture; Tutorial
Optimal External Financing Financing Instruments & Strategy	Lecture; Tutorial
Value of Liquidity Corporate Liquidity Policy	Lecture; Tutorial
Corporate Cash Holdings Capital Market Efficiency	Lecture; Tutorial
Mergers and Acquisitions Corporate Governance Agency Problem	Lecture; Tutorial
Revision	
Final exam	

Assessments:

Class participation	10%
Research and case study	15%
Assignment	25%
Final exam	50%

Note: Class Participation

Participation can take many different forms. Engagement in class discussion with thoughtful questions and answers benefiting all students will improve your participation score. Disruptive behavior will be detrimental to your participation score. The lecturer may consider the use of computers and other electronic devices to be disruptive to the class. Please ensure all your devices are turned off before the start of class.

Class participation (10%)

Active engagement in class activities and discussions are encouraged to consolidate what has been learnt in lectures. Class participation is essential towards developing a comprehensive understanding on the learning outcomes and expectations placed on students. Students are expected to participate and actively engage in all class discussions in order to ensure that they gain a more holistic learning experience. Those who are unwilling to contribute or participate in class discussions should expect relatively low class participation grade even if they are physically present in all classes.

To further enhance the learning experience, it is also important for you to engage in regular discussions with other students, in exchanging knowledge and ideas with regards to this course and its key topics. Students are expected to be present and punctual for all their classes. Lateness and causing disruption to other students is not acceptable and will not be tolerated. Doing so will lead to the deduction of class participation marks. Students are expected to be respectful towards their peers, their lecturers and all other staff members. If you are not ready to meet these basic expectations, this may not be a suitable option of study for you.

Research and case study (15%):

The details will be announced in class

Assignment (25%)

- Students will be allocated into groups to complete a group assignment relating to course topics. They are required to work collaboratively with each other to complete this task and present it to the class through a speech (optional). Details of the assignment will be announced and discussed during the class.

- 5 pages maximum in A4,
- 12 point Times New Roman font
- Single line spacing

Late submission will attract a penalty of 10% of the total weighting of the assessment task. A 10% deduction applies for EACH late day and the assessment will not be accepted after 5 working days. Extensions will only be granted upon the basis that there is reasonable medical evidence of illness or any other extreme circumstances that the university may place under consideration. Under no circumstances will extensions be granted for work or any other commitments. A request for an extension must formally be submitted to the lecturer in writing prior to the due date, in accordance with the university's assessment policies. Medical certificates or other evidence of extreme misfortune must be submitted through a special consideration form and must contain information that justifies the extension sought.

Final examination (50%)

- Type: Examination
- Weight: 50%
- Length: A two hours formal final examination will be scheduled by the lecture and conducted in the class.
- Task: This is a closed book examination.
- Students should expect a variety of differently structured questions such as multiple choice answers, short answer questions, and extended responses. Students are expected to attempt all components of the exam to their best of their abilities. Students will be provided with sample questions and a comprehensive explanation on exam instructions.
- Please make sure that you are physically present in all classes, especially on examination dates. No make-up tests or examinations will be provided.

Grade Descriptors:

HD	High Distinction	85-100
D	Distinction	75-84
Cr	Credit	65-74
P	Pass	50-64
F	Fail	0-49

High Distinction 85-100

Treatment of material evidences an advanced synthesis of ideas

Demonstration of initiative, complex understanding and analysis

Work is well-written and stylistically sophisticated, including appropriate referencing, clarity, and some creativity where appropriate

All criteria addressed to a high level

Distinction 75-84

Treatment of material evidences an advanced understanding of ideas

Demonstration of initiative, complex understanding and analysis

Work is well-written and stylistically strong

All criteria addressed strongly

Credit 65-74

Treatment of material displays a good understanding of ideas

Work is well-written and stylistically sound, with a minimum of syntactical errors

All criteria addressed clearly

Pass 50-64

Treatment of material indicates a satisfactory understanding of ideas

Work is adequately written, with some syntactical errors

Most criteria addressed adequately

Fail 0-49

Treatment of ideas indicates an inadequate understanding of ideas

Written style inappropriate to task; major problems with expression

Most criteria not clearly or adequately addressed

Academic Integrity

Students are expected to uphold the university's academic honesty principles which are an integral part of the university's core values and principles. If a student fails to observe the acceptable standards of academic honesty, they could attract penalties and even disqualification from the course in more serious circumstances. Students are responsible for knowing and observing accepted principles of research, writing and any other task which they are required to complete.

Academic dishonesty or cheating includes acts of plagiarism, misrepresentation, fabrication, failure to reference materials used properly and forgery. These may include, but are not limited to: claiming the work of others as your own, deliberately applying false and inaccurate information, copying the work of others in part or whole, allowing others in the course to copy your work in part or whole, failing to appropriately acknowledge the work of other scholars/authors through acceptable referencing standards, purchasing papers or writing papers for other students and submitting the same paper twice for the same subject.

This Academic Integrity policy applies to all students of the Zhejiang University in all programmes of study, including non-graduating students. It is to reinforce the University's commitment to maintain integrity and honesty in all academic activities of the University community.

Policy

- The foundation of good academic work is honesty. Maintaining academic integrity upholds the standards of the University.
- The responsibility for maintaining integrity in all the activities of the academic community lies with the students as well as the faculty and the University. Everyone in this community must work together to ensure that the values of truth, trust and justice are upheld.
- Academic dishonesty affects the University's reputation and devalues the degrees offered.
- The University will impose serious penalties on students who are found to have violated this Policy. The following penalties may be imposed:
 - Expulsion;

- Suspension;
- Zero mark/fail grade;
- Marking down;
- Re-doing/re-submitting of assignments or reports; and
- Verbal or written warning.