



Corporate Finance

International Academic Camp Course Syllabus
Fudan Campus, 2019 December

Study Term:
Winter, 09/12/2019 - 27/12/2019

Study Level:
Undergraduate

Class hours:
8:55 - 11:35

Location:
No.220 Handan Rd, Shanghai, China.

Course Description:

“Every decision made in a business has financial implications, and any decision that involves the use of money is a corporate financial decision.”

– Aswath Damodaran

“A man who knows the price of everything and the value of nothing”

– Oscar Wilde

Corporate Finance is one of the core courses in finance. Everyone cares about real business impact of corporate decision. All businesses have to allocate their resources timely and wisely, finding the right opportunity to invest, seeking the right mix of financing to fund these investments, and returning cash to shareholders if not enough good projects. The most fundamental objective of is to maximize firm value, no matter it is large, publicly listed companies or small, privately run businesses.

The purpose of this course is to introduce you to capital markets in which firms invest and to give you an understanding of important factors that can affect corporate valuation. All of corporate finance is built on three principals, the investment, financing and dividend decisions. Consequently, any decision (investment, financial, or dividend) that increases the value of a business is considered a good one, whereas one that reduces firm value is considered a poor one.

The material in this course will helps to evaluate key decision made by managers of the firm, covering cases in both emerging countries and developed economics. All students of this course should have an international orientation. Besides, we will also analyses firms across their life cycles, especially focus on the estimation of early stage. A startup is not a smaller version of a large company. The subsequent stages of valuation for those young firms can become more explicit since the entrepreneur will have to give up some shares in return for external funding. Topics include advanced capital budgeting and capital raising including venture capital and initial public offerings and mergers and acquisition will also be introduced as a foundation to linked more advanced future studies.



Required Texts:

1. Aswath Damodaran, *Applied Corporate Finance, 3rd Edition, 2010*
2. Stephen A. Ross, Randolph Westerfield, Bradford D. Jordan, *Fundamentals of Corporate Finance, 9th Edition, 2009*

But you may also refer to the following textbooks:

3. Aswath Damodaran, *The Dark Side of Valuation, 2nd Edition, 2015.*

In addition, I highly recommend to read the *Financial Times*, the *Economist* magazine and the *Wall Street Journal* regularly. I may ask students to share updated knowledge about global business in the very beginning of the course.

Course Goals:

| Course Learning Outcomes | Program Learning Outcomes | Course Assessment Item |
|---|---|--|
| On successful completion of the course, you should be able to: | This course helps you to develop the following Program Learning Outcomes: | This learning outcome will be assessed in the following items: |
| Understand and apply the set of tools needed in corporate decision making. | PLO1: Business knowledge | <ul style="list-style-type: none"> • Tutorial Problems • Take Home Tests • Tutorial Contributions • Case Presentation • Case Discussion |
| Apply the knowledge and the tools acquired in any corporate financing and investment setting. | PLO 2: Problem solving | <ul style="list-style-type: none"> • Tutorial Problems • Final Exams • Case Presentation • Case Discussion |
| Construct written paper, which is logically and professionally presented as a team. Communicate with team members in a sound manner | PLO 3: Business communication | <ul style="list-style-type: none"> • Tutorial Problems Exams • Case Report • Case Presentation • Case Discussion |
| Participate collaboratively and responsibly in teams for the goal of achieving enhanced learning outcomes | PLO 4: Teamwork | <ul style="list-style-type: none"> • Case Presentation • Case Discussion |
| Solve business problems in lies with the trust, culture and ethical standard. Analyses firms with multiple objectives of valuation verse social responsibility. | PLO 5: Responsible business practice | <ul style="list-style-type: none"> • Take Home Tests • Tutorial Contributions • Case Discussion |
| Participate collaboratively and responsibly in culturally and racially diverse groups and tutorials for the goal of achieving enhanced learning outcomes | PLO 6: Global and cultural competence | <ul style="list-style-type: none"> • Tutorial Contributions • Case Discussion |
| Develop a sound understanding of tools to analyze and act innovatively in a diverse set of business circumstances with the aim to achieve positive outcomes for corporate stakeholders. | PLO 7: Leadership development | <ul style="list-style-type: none"> • Tutorial Contributions • Final Exams • Case Presentation • Case Discussion |



Assessment:

| Assessment | Weighting | Length | Due Date |
|---------------------------|-----------|---------|------------------------|
| Class participation/tests | 20% | Ongoing | Day 2-13 |
| Mid-term exam | 30% | 2 hours | |
| Final exam | 50% | 2 hours | University Exam Period |

Course Schedule:

| Day | Date | Topic | Chapter |
|------------------------------|------------|---|---------|
| 1 | 09/12/2019 | Introduction, Fundamentals of Corporate Finance | |
| 2 | 10/12/2019 | Financial Statement Analysis I | |
| 3 | 11/12/2019 | Financial Statement Analysis II | |
| 4 | 12/12/2019 | Corporate Valuation - Multiples | |
| 5 | 13/12/2019 | Time Value of Money | |
| SATURDAY & SUNDAY | | | |
| 6 | 16/12/2019 | Corporate Valuation – DCF&APV | |
| 7 | 17/12/2019 | Risks and Returns I | |
| 8 | 18/12/2019 | Risks and Returns II | |
| 9 | 19/12/2019 | Measuring Investment Returns | |
| 10 | 20/12/2019 | Capital Structure | |
| SATURDAY & SUNDAY | | | |
| 11 | 23/12/2019 | Payout Policy | |
| 12 | 24/12/2019 | Entrepreneur Finance | |
| 13 | 25/12/2019 | Mergers and Acquisitions | |
| 14 | 26/12/2019 | Presentation | |
| 15 | 27/12/2019 | Final Review | |