# Course Syllabus (Corporate finance)

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| **Course Chinese Title：公司金融** | **Course Category（Compulsory/ Elective）：** Compulsory |
| **Course English Title:** Corporate Finance | |

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| **Total Hours/ Hours Per Week/ Credit(s)：** 48/3/3 | **Lab Practice/ Practical Hours：** 16 |

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| **Prerequisites:** Economics, Probability and Statistics, Financial economics |

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| **Time:** Weeks 1-16, 10:25-12:00, Friday, and weeks 9-16, 8:30-10:10, Monday | **Classroom:** Intelligent Classroom A , Guancheng Campus |

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| **Class：** 2022 Economics and Finance (Financial Management Industry-University International Program, FMI) |
| **College：** School of Economics and Management |
| **Instructor Name/ Academic Title：** Chunyang Huang/Lecturer |
| **Office Hour：** 8:30-10:10 Tuesday at Room 2302, Guanchen Campus/ **Online:** WeChat group |
| **Course Assessment Method：** Open book test ( )    Close book test ( ✓)    Report ( )    Other ( ✓), see Assessment and Grading table below |

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| **Required Textbook：** None, lecture notes and slides will be delivered before every meeting.<br>**Supplementary Materials：**<br>1. Fundamentals of Corporate Finance (2020), Stephen A. Ross, 机械工业出版社， ISBN：9787111641421<br><br>2. www.wallstreetcn.com<br>3. www.eastmoney.com |

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| **Course Description：**<br>This course introduces the basic concepts, logic, and methodologies of corporate finance, structured around net present value (NPV) valuation method. It covers various stages of a firm's financial decisions, including financial statement analysis, long-term financial planning, discounted cash flow valuation methods, capital budgeting, project analysis and appraisal, cost of capital, financing policies, financial leverage and capital structure decisions, dividend policies, short-tern financial planing, cash and liquidity management, credit and inventory management, etc. |

| **Course Learning Objectives and its supporting on the requirement for graduation:** | | |
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| **Course Learning Objectives** | **Measurements on Requirement** | **Requirement for Graduation** |

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| | | | | **for Graduation** | | | | |
| **CO1:** To understand the basic concepts, logics, methodologies, and techniques in corporate finance. | | | | LO 2.2 Students shall master the basic theories of economics and finance and understand the basic ideas of these theories. | | CG2. Students shall be able to systematically master the knowledge required for the discipline of applied economics (covering the school talent cultivation standards 3, 5, 6) | | |
| **CO2:** To understand the common features and practices of corporate finance decisions in the international financial markets | | | | LO 6.1 Students shall be familiar with the conventions and rules of international economic operations and understand the complex global business environment. | | CG6 Students shall possess a global outlook and a local spirit (covering school talent cultivation standards 1, 2, 3, 4, 9). | | |
| **CO3:** To apply the above knowledge to analyze the real-world corporate finance decisions made by Chinese firms as well as international firms  . | | | | LO 5.3 Students shall have an innovative awareness and the ability to innovate and start businesses to solve practical problems | | CG5. Students shall have an innovative awareness and the ability to apply innovative thinking to solve various business problems (covering school talent cultivation standards 5, 7, 8). | | |
| **Lecturing Plan** | | | | | | | | |
| **Week** | **Topic** | **Instructor** | **Hours** | **Contents （Key point、Difficulty、Ethical and political learning）** | **Instructional Mode （Online/ Blending/ Offline）** | **Activities** | **Assignment** | **Expected Learning Outcomes** |
| 1 | Introduction to | Chunyang | 3 | Course introduction | **Offline** | **Lecture** | **Reading and discussion :** | CO1 |

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| | corporate finance | Huang | | and preview | | | set 1 of materials distributed in the class | **CO2** |
| 2 | The operation environments of a firm | Chunyang Huang | 3 | Contents: the key factors of a firm's operation environments<br><br>Key points: corporate governance<br><br>Difficulties: the conflicts of interests in a firm<br><br>**Ethical and Political Learnings:** the concept of corporate governance should help students in appreciating the merits of "common interests" | **Offline** | **Lecture** | none | **CO1**<br>**CO2**<br>**CO3** |
| 3 | Financial statements | Chunyang Huang | 3 | Contents: the structures of financial statements<br><br>Key points: tools for financial statement analysis<br><br>Difficulties: DuPont approach | **Offline** | **Lecture** | none | **CO1**<br>**CO2**<br>**CO3** |
| 4 | Long-term financial | Chunyang Huang | 3 | Contents: financial forecasting and planing | **Offline** | **Lecture** | **Reading and discussion:** set 2 of | **CO1**<br>**CO2** |

| | | | | Key points: techniques for financial planning | | | materials distributed in the class | CO3 |
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| | planning | | | Difficulties: financial planning models | | | | |
| 5 | Discounted cash flow (DCF) valuation model | Chunyang Huang | 3 | Contents: DCF valuation model<br><br>Key points: the logic of DCF model<br><br>Difficulties: terminal value calculation in DCF model | **Offline** | **Lecture** | **None** | **CO1**<br>**CO2**<br>**CO3** |
| 6 | Bond and stock valuation | Chunyang Huang | 3 | Contents: applying DCF model to bond and stock valuation<br><br>Key points: DDM model<br><br>Difficulty: assumptions in valuation model | **Offline** | **Lecture** | **none** | **CO1**<br>**CO2**<br>**CO3** |
| 7 | Capital budgeting | Chunyang Huang | 3 | Contents: the basic methodologies of capital budgeting Key points: net present value (NPV)<br><br>Difficulties: the discounted factor in NPV<br><br>**Ethical and Political Learnings:** the concept of NPV should help students | **Offline** | **Lecture**<br>**Q&A** | **None** | **CO1**<br>**CO2**<br>**CO3** |

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| | | | | in understanding the value of life-time learning | | | | |
| 8 | capital investment decision | Chunyang Huang | 3 | Contents: principles of capital investment decisions<br><br>Key points: incremental cash flows<br><br>Difficulties: sunk cost and incremental cash flows | **Offline** | **Lecture** | **None** | **CO1**<br>**CO2**<br>**CO3** |
| 9 | Project evaluation | Chunyang Huang | 3 | Contents: key methods for project evaluation<br><br>Key points: applying NPV method to project evaluation<br><br>Difficulties: calculation of IRR | **Offline** | **Lecture** | **None** | **CO1**<br>**CO2**<br>**CO3** |
| 10 | The cost of capital | Chunyang Huang | 3 | Contents: opportunity cost and the cost of capital<br><br>Key points: average cost of capital<br><br>Difficulties:the relationship between risk and the cost of capital | **Offline** | **Lecture** | **None** | **CO1**<br>**CO2**<br>**CO3** |
| 11 | Financing decision | Chunyang Huang | 3 | Contents: cost and methods of corporate financing<br><br>Key points: initial | **Offline** | **Lecture** | **none** | **CO1**<br>**CO2**<br>**CO3** |

| | | | | public offerings (IPO)  Difficulties: Hidden cost of financing | | | | |
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| 12 | Financial leverage and capital structure | Chunyang Huang | 3 | Contents: factors affecting capital structure decision  Key points: cost of asymmetric information in capital structure decision  Difficulties: financial signaling  **Ethical and Political Learnings:** the concept of "financial signaling" should help students in understanding the value of reputation | **Offline** | **Lecture** | **Reading and discussion:** set 3 of materials distributed in the class | **CO1** **CO2** **CO3** |
| 13 | Dividend policy decision | Chunyang Huang | 3 | Contents: corporate dividend policy  Key points: the signaling effect of dividend policy  Difficulties: dividend policy and the firm's value | **Offline** | **Lecture** | **None** | **CO1** **CO2** **CO3** |
| 14 | Shot-term financing decision and | Chunyang Huang | 3 | Contents: cash flow management and shot-term financing  Key points: | **Offline** | **Lecture** | **None** | **CO1** **CO2** **CO3** |

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| | liquidity management | | | short-term financial planing<br><br>Difficulties: cash flow forecasting | | | | |
| 15 | Trading credit and inventory management | Chunyang Huang | 3 | Contents: credit policies and inventory management method<br><br>Key points: the trade-off between sale and trading policies<br><br>Difficulties: inventory management method | **Offline** | **Lecture** | **none** | **CO1**<br>**CO2**<br>**CO3** |
| 16 | Course review | Chunyang Huang | 3 | Contents: overview of the course<br><br>Key points: the NPV principle<br><br>Difficulties: none | **Offline** | **Lecture**<br>**Q&A** | **None** | **CO1**<br>**CO2**<br>**CO3** |
| | Total： | | 48 | | | | | |

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| **Grading** | | | | | | |
| **Course Learning Objectives** | **Supported Measurements** | **Assessments and grading Percentage (%)** | | | | **Supporting Course Objectives** |
| | | **Homework** | **Discussion** | **Literature Report** | **Final exam** | |
| CO1 | 2.2 | 0 | 0 | 0 | 60 | 60 |
| CO2 | 6.1 | 20 | 0 | 0 | 0 | 20 |
| CO3 | 5.3 | 0 | 20 | 0 | 0 | 20 |

| | Total | 20 | 20 | 0 | 60 | 100 |
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**Note:**

# Appendix: Rubrics

## Reading and Discussion

| Measurement | Criteria | | | |
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| | A (100) | B (85) | C (70) | D (0) |
| Relevance (CO1, CO2, CO3, 60%) | The discussion shows the student has read and understood the distributed materials; Questions and answers are creative and relevant to the course knowledge | The discussion shows the student has read and understood the distributed materials; Questions and answers are and relevant to the course knowledge | The discussion shows the student has read and understood the distributed materials | The discussion shows the student has not read the distributed materials |
| Participation | Participate in every discussion | Participate in every discussion | Participate in 80% of the | absent from every discussion |

| Measurement | | | | |
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| (CO1, 40%) | sessions; have own opinion | sessions | discussion session | session |

## Literature Report

| Measurement | Criteria | | | |
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| | A (100) | B (85) | C (70) | D (0) |
| Articles<br><br>(CO1, 20%) | Information is gathered from assigned, research-based sources. | Information is gathered from assigned sources. | Information is gathered from a limited number of sources. | Information is gathered from a single source. |
| Summary<br><br>(CO3. 20%) | Well organized, demonstrates logical sequencing and structure.<br><br>Detailed conclusions are reached from the evidence offered.<br><br>Research question(s) are formed through the literature review and clearly stated.<br><br>Information is cited properly and in APA format. | Well organized, but demonstrates illogical sequencing or structure.<br><br>Conclusions are reached from the evidence offered.<br><br>Research question(s) are formed through the literature review.<br><br>Information is cited properly. | Weakly organized with no logical sequencing or structure.<br><br>There is some indication of conclusions from the evidence offered.<br><br>Research question(s) were not formed but could be formed through the literature review.<br><br>Information is cited, but has errors. | No organization, sequencing, or structure.<br><br>No conclusions are made from the evidence offered.<br><br>Research question(s) were not formed and are not apparent from the literature review.<br><br>Information is not cited or is cited incorrectly. |
| Presentation<br><br>(CO3. 60%) | Adheres to 2 – 4 pages criteria. Font, spacing, and APA format are correct. There are 5 or less grammatical error. | Exceed or does not meet 2 – 4 pages criteria by ½ page or less. Font and spacing, font and APA, or spacing and APA are correct. There are no more | Exceed or does not meet 2 – 4 pages criteria by ½ to 1 page. Font, spacing, or APA format is correct. There are no more | Exceed or does not meet 5 – 10 pages criteria by more than 1 page. Font, spacing, and APAP format are incorrect. There are 10 or more |

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| | than 7 grammatical errors. | than 9 grammatical errors. | grammatical errors. |

## Final Term Paper

| Measurement | Criteria | | | |
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| | A (100) | B (85) | C (70) | D (0) |
| Logic consistency (CO2, 30%) | The data, analytic methodologies, and the conclusion tell a coherent and consistent story; the assumptions are reasonably explained | The data, analytic methodologies, and the conclusion tell a coherent and consistent story | The data, analytic methodologies, and the conclusion tell a coherent and story | The data, analytic methodologies, and the conclusion are in conflicts with each others |
| Data collection (CO3, 20%) | The data are collected from authoritative and reliable source; data collected are relevant and sufficient to the topic | The data are collected from reliable source; data collected are relevant to the topic | data collected are relevant to the topic | Data are not relative to the topic |
| Analysis skills (CO2,30%) | The learned methodologies and quantitative models from the course are applied correctly; the calculation is correct; the analytic process is demonstrated clearly | The learned methodologies and quantitative models from the course are applied correctly; the calculation is correct; | The learned methodologies and quantitative models from the course are applied approximately correctly | The wrong methodologies and quantitative models from the course are applied |
| Wording (CO1, 20%) | The structure of the paper is completed and clear; there are | The structure of the paper is completed and clear; there are | The structure of the paper is completed; there are less than | The structure of the paper is uncompleted and unclear |

| | less than 3 inappropriate words in the paper | less than 5 inappropriate words in the paper | 10 inappropriate words in the paper | |
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