




Instructor **Dr. Zsuzsa R. Huszár**
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Contact All class & content related question  to be posted on  forum
 To ensure fair treatment and fair access to information, no class related questions are answered emails. On LumiNUS there is a designated ADMIN topic heading in the forum, please post all questions and doubt there so other students can have the same information.

Class location/time Lectures: Tuesdays and Thursdays 9-12:15

Course Objectives This course aims to introduce fundamental concepts and analytical knowledge of Corporate Finance. Cases and practical examples will be used to illustrate the concepts taught. By the end of the module, students should be able to:

- appraise investments and conduct project analysis;
- apply the valuation methods (DCF, DDM, and Relative Valuation) to evaluate real-life companies for capital raising and possible acquisition;
- analyze the impact of capital structure on the cost of capital and project value;
- understand capital structure decisions and payout policies.
- Gain come insights about merger valuations, good and bad mergers

Textbook Corporate Finance, Asia Global edition, 2015, by Ross, Westerfield, Jaffe, Lim, Tan and Wong, McGraw-Hill Education

Assessments Methods:

Class Participation (In class/online, on LumiNUS),	10%
Test 1	20%
1 mini case (group work)	10%
1 full case (group work)	30%
Test 2 (online or in class test at TBA timing)	30%
Total	100%

Test Administration: Closed book closed notes tests. Some formulas (or formula sheet will be provided in the test, in Exemplify or in Paper format). Students also allowed to have 1 page (A4 size) cheat sheet (has to be hand written not typed), can be written on both side, but as no scrap paper allowed it is advisable to leave some space empty. Many of the questions require the use of financial calculators (calculators with TVM functions), which are permitted for use during the test. Students should consult instructor if they are not sure about the type of financial calculator required/allowed. The tests may consist of MCQ questions, quantitative and open-ended questions that examine the total understanding and creativity of the student with respect to the course materials.

Class Participation: Students are expected to have done pre-class readings, watch and study the uploaded videos (Videos posted or linked on LumiNUS), come prepared for the class, and be actively involved in class discussions. Class participation grade is primarily based on FORUM when lectures are online.

Group Assignments The class will be divided into 4-5 student study groups for the Cases. Students are allowed to form their own group, which will be done in LumiNUS. The lecturer sets up the number of groups and students can allocate themselves with their friends to the preferred group. Each group must do both of the assignments for credit. Groups are expected to submit to professionally written and formatted valuation report, all-inclusive reports, containing all relevant tables to understand and follow the report (excel file submissions are only to check for potential mistakes). If the report does not include the relevant calculations references are only made to excel calculations, **students will not receive any credit** for the calculations. The Report (pdf or word document) has to be self-explanatory because all professional reports prepared this way and includes all key inputs. Details instruction on formatting, submission file naming, etc. included in the document with the Case guidelines posted in the Admin folder.

Late submissions or not clearly labelled submissions will be penalized. End of the term, each student need to submit peer evaluation of all other group members via google survey @ <https://forms.gle/3srR84MeyAxagzxv6>





Test/Quizzes Tests are Exemplify online tests, monitored via ZOOM or Microsoft TEAM or in class. **It is strongly recommended that students install Microsoft TEAMS** application on phone or computer because CIT (the IT help) can provide technical support only via Microsoft team. The quiz is during the last 30 minutes of the regular class time. Students expected to be prepared, download the quiz/test in advance to their computers. Students will receive zero credit for the test, if they are unable to start the quiz on time with the class at the designated time. It is strongly recommended to download in advance, double check in exemplify the test cannot be opened in advance but you should be able to see the test as download. Also recommended, not change laptop last minute or make major upgrades.

Academic Integrity: Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times (even in forum posts and chats). Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources. Plagiarism is NOT only 'the practice of taking someone else's work or ideas and passing them off as one's own' but also **supporting others to engage in plagiarism**. Students should adopt high integrity and good ethics in all aspect of their study life. Everybody has the obligation to clearly indicate to the assessor which is their own work and which the work of others. Otherwise, assessors are entitled to assume that everything being presented is entirely the specific student's submission. In case of any doubts, you should consult your instructor. Additional guidance is available at:

<http://www.nus.edu.sg/registrar/adminpolicy/acceptance.html#NUSCodeofStudentConduct>

Online Module on Plagiarism: <http://emodule.nus.edu.sg/ac/>

Tentative Course Schedule

Timing	Topic and Admin matters
Session 1 May 12	<p>Topic 1: Introduction & Course Overview</p> <p>Prep: Review of basic Corporate finance class with videos slides before week 1.</p> <ul style="list-style-type: none"> – Corporation and Agency Issues – Review of Risk & Return – Event study methods (market reaction) <p><i>Readings: RWJ Chapter 1, 10, 11, 12</i></p>
Session 2 May 14	<p>Topic 2: Capital Budgeting</p> <p>Prep: Class preparation videos, weblinks to be reviewed in advance</p> <ul style="list-style-type: none"> – Review of Portfolio Theory and CAPM – Risk, return, and cost of capital – Sensitivity, scenario and break-even analysis & Real Options (*) <p><i>Readings: RWJ Chapter 13, 7, 23</i></p>
Session 3 May 19	<p>Topic 3: Capital Structure I</p> <p>Prep: Watch and review preparation video before class.</p> <ul style="list-style-type: none"> – Raising capital (debt) or equity, emphasis on equity in this session – Venture capital and IPO – Rights issues (* included later again with dividend policy) <p><i>Readings: RWJ Chapters 14, 20</i></p>
Session 4 May 21	<p>Topic 4: Capital Structure II (prepare for class ☺)</p> <p>Prep: Don't forget, continue to prepare for class in advance.</p> <ul style="list-style-type: none"> – Theories of capital structure – Tax effects <p><i>Readings: RWJ Chapter 16</i></p>
Session 5 May 26	<p>Topic 5: Capital Structure III (prepare for class ☺)</p> <ul style="list-style-type: none"> – Limits to the use of debt & Costs of financial distress, Agency costs – Is there an optimal capital structure? – Interactions between Investments and Financing <p><i>Readings: RWJ Chapters 17, 18</i></p>
Session 6 May 28	<p>Case presentations: Discussion</p> <ul style="list-style-type: none"> – IPO (or private placement) – Shares vs shares, valuations – Scenario and Sensitivity analysis examples, uses, football fields <p> Mini Case presentations due May 27 – 10 AM</p>
Session 7 June 2	<p>Topic 7: Financing (Capital structure recap)</p> <ul style="list-style-type: none"> – Financing decision and Macro conditions – Discussion of current events, optimal debt policy <p> TEST1 (in class time)</p>
Session 8 June 4	<p>Topic 9: Dividend Policy (Capital structure recap)</p> <ul style="list-style-type: none"> – Right issues recap – as special dividends – Share repurchase and dividend policy <p><i>Readings: RWJ Chapter 19</i></p>
Session 9 June 9	<p>Topic 9: Dividend Policy continued</p> <p>Is dividend policy relevant? Costs and benefits of retaining cash</p>
Session 10 June 11	<p>Topic 11: Mergers and Acquisitions</p> <ul style="list-style-type: none"> – Value of corporate control, Merger valuations – Takeover defence strategies, their cost and benefits <p><i>Readings: RWJ Chapter 29</i></p>
Session 11 June 16	<p>Topic 11: Mergers and Acquisitions cont'd</p> <ul style="list-style-type: none"> – Empirical evidence, good and bad mergers <p> TEST2 (timing TBA)</p>
Session 12 June 18	<p>Presentations</p> <p>Class discussion about current events</p> <p> Case presentations due June 17, 10 AM</p>