FIN3701B CORPORATE FINANCE

Last Updated: 1/July/2026

Session: Semester I, 2026/2027 (3 August 2026 – 6 Dec 2026)

Instructor

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Consultation: appointment through email.

Course Objectives

This course aims to introduce fundamental concepts and analytical knowledge of Corporate Finance. This course will provide students with an in-depth understanding of the key financial issues faced by modern-day managers of corporations. It will equip students with conceptual and analytical skills necessary to make sound financial decisions. Topics to be covered include risk and return, capital budgeting, capital structure, dividend policy and mergers and acquisitions. Cases and practical examples will be used to illustrate the concepts taught.

Learning Outcomes

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;
- analyse the impact of capital structure on the cost of capital and project value;
- understand capital structure decisions and payout policies;
- use generative AI and analytical tools to support corporate finance analysis, while critically evaluating the tool's output and understanding their limitations.

Textbook and Reference

We will be using slides for the presentation. Copies of the presentation slides used in class will be posted on Canvas. The slides will be PDF files. The lecture slides are self-contained. Thus, no textbook is required. For those of you who wish to use a textbook in addition to the slides, I recommend:

Main Textbook: (RWJJS)
Corporate Finance
International Student Edition, 2025
Ross, Westerfield, Jaffe, Jordan, and Shue; ISBN 978-1-266-96100-7
McGraw-Hill Education

Main Textbook: (RWJJ)
Corporate Finance
International Student Edition, 13th edition, 2023

Reference Textbook: (RWJ)

Fundamentals of Corporate Finance
International Student Edition, 2024 Edition
Ross, Westerfield, and Jordan
McGraw-Hill Education
Ross, Westerfield, Jaffe, and Jordan
McGraw-Hill Education

Assessments Methods

Class Participation	10%
Assignments	5%
1 Case study (group basis)	20%
2 Critiques (group basis)	10%
Test 1 (XX October, 2026)	25%
Test 2 (XX November 2026)	30%
Total	100%

Please note the date for the Tests and make sure you are able to take the test at the assigned time. There will be no make-up.

Test

Many of the questions require the use of financial calculators, which are allowed. Please consult instructor if you are not sure about the type of financial calculator required/allowed. The test may consist of multiple-choice questions, quantitative and open-ended questions that examine the total understanding of the student with respect to the course materials.
Tests and the Final Exam will be administered on Examsoft/Examplify. Please familiarize yourself with the software if you have not used it already. All tests are to be taken in-person on campus.

Please note the dates for the test – there will be no makeup. The exact test time will be announced later. Students not participating in a test will receive a zero mark for that test. Exceptions will only be granted according to NUS policies and will require formal verification of the reason for absence by the BBA Office. In such exceptional cases, a substitute form of assessment may be given.

Midterm Test: TBC
Final Test: TBC

Class Arrangement

Classes will, unless otherwise advised, be delivered in a normal face-to-face (F2F) classroom setting.

Students are responsible for all missed work, regardless of the reason for their absence. It is also the absentee's responsibility to get all missing notes or materials.

Class Participation

Students are expected to have done pre-class readings and be actively involved in class discussions. Extra credit will be granted to those who can contribute towards class discussions with insightful answers and real-life examples. The discussion by the non-presenting group members will be an important part of the class participation grade. Note that this will be evaluated on an individual basis.

Cases

Each class will be divided into (up to) 9 groups for case assignments. We will cover 3 cases during the semester. Out of the 9 groups, there will be 3 primary groups for each case. Groups 1A, 1B & 1C will take on the primary responsibility for case 1; groups 2A, 2B & 2C for case 2 and groups 3A, 3B & 3C for case 3. The 3 primary groups for the case will each submit a comprehensive report **NOT exceeding overall total of 10 pages** including texts, tables and appendices by the due date. The report must be typewritten on A4 size paper with double-spacing and font size 11. It is due by **12nn on Monday** of the week before the case presentation or as indicated in the course schedule below. The report will be made available to the class.

Each case report must include a short AI use Appendix (documenting AI tools used, and how outputs were verified).

The 6 non-primary groups are each required to submit a short critique of one of the reports. The critique is limited to **one page** (A4 sized, font 11, double spacing) and must be submitted by **12nn on Friday** of the week when the case report is made available to all in the class. During the case presentation, the 3 groups with primary responsibility will be given 20 minutes each to present their analysis. Then, followed by two critique groups with 5 minutes each, then with Q&A for each primary group up to 10 minutes.

Timing Arrangements:

- First Primary Group 20 minutes + 3 minutes*2 Critique + 10 minutes Q&A = 36 minutes.
- Second Primary Group 20 minutes + 5 minutes*2 Critique + 10 minutes Q&A = 36 minutes.
- 10 minutes break.
- Third Primary Group 20 minutes + 5 minutes*2 Critique + 10 minutes Q&A = 36 minutes. Total 118 minutes.
- Other tasks (lectures or tutorials) before or after the presentations.

Siting Arrangements:
The 3 primary groups will sit in the middle last three rows with second row for A (1A), then B (1B) and C (1C) in the back row; The two critique groups (2A and 3A) will sit in the first row and each side rows, same for other two critique groups.

Students are expected to actively participate in the case discussions. The assignment of the non-primary groups is as follows:

Case Number	Presenting (Primary) Group	Critique (Non-Primary) Group
1	1A	2A, 3A
1	1B	2B, 3B

1	1C	2C, 3C
2	2A	1A, 3A
2	2B	1B, 3B
2	2C	1C, 3C
3	3A	1A, 2A
3	3B	1B, 2B
3	3C	1C, 2C

Case assignment and guidelines will be made available two weeks before the due date.

All members are required to make equal contributions toward the case report. At the end of the semester, you can assign a peer grade to other members of the same group by filling out a form. Filling out the form is **optional**, i.e., you don't need to do it. Peer grading might affect group members' grades. Due to differences in peer grading, a given group member may obtain different grades from other members in the same group.

Submission Policy

Case reports, presentations, and critiques are done on a group-basis. They must reach the instructor by the due date and time. Late submissions will be penalized.

Tutorial Discussion

Tutorial assignments (to be done in groups) are for classroom discussions only and NOT for submission. All students are expected to contribute to the tutorial discussions. Each tutorial consists of a number of questions and/or mini-cases related to topics that are covered in class. These questions may require analysis of financial data. The group membership is the same as that for case study. Each group may be asked to present or lead discussions for one of the questions. The tutorial questions will be given one week before the dates to be discussed in class as indicated on the schedule below.

Communication

The preferred way to communicate with me is by email.
Students are encouraged to always send me comments and suggestions that may help the class to learn better. Students are expected to check Canvas weekly for announcements.

Use of AI Tools

Consistent with the NUS Policy for Use of AI in Teaching and Learning (Aug 2024), the use of generative AI tools is permitted for group case reports and critiques in this course, provided that such use is duly acknowledged. Students remain fully responsible for the accuracy, relevance, and integrity of all submitted work. AI outputs must be independently verified against reliable sources; students should not assume that AI-generated content is correct, current, or appropriately contextualised. Acknowledgement should be made in the AI Use Appendix accompanying each case report, documenting the AI tools used, the tasks for which they were used, the prompts (or representative prompts), and how the outputs were verified and incorporated into the final submission. Representing AI-generated output as one's own work without acknowledgement constitutes plagiarism and will be treated as academic dishonesty under the NUS Code of Student Conduct. For tests and the final exam, which are conducted in-person and supervised, the use of AI tools is not permitted.

Additional guidance is available at:
http://www.nus.edu.sg/osa/resources/code-of-student-conduct

AI use guidelines (based on NUS's Policy for Use of AI in Teaching and Learning last updated on August 07, 2024)

1. Don't use AI to plagiarize
2. Check with your instructors on proper uses of AI tools
3. Acknowledging your use of AI
4. You are responsible for your work

Course Content (Each topic may take longer than one class):

1. Introduction to Corporate Finance
   - Separation of ownership and control
   - Agency costs
   - Firm and the financial markets

2. Risk and Return
   - Review of portfolio theory
   - CAPM and APT
   - Estimating cost of equity and cost of debt
   - Risk, return and cost of equity

3. Capital Budgeting
   - Decision trees
   - Sensitivity analysis
   - Scenario analysis
   - Break-even analysis
   - Real options

4. Raising Capital
   - IPO
   - Rights issue

5. Capital Structure I
   - Theories of capital structure
   - Tax effects

6. Capital Structure II
   - Limits to the use of debt
   - Costs of financial distress
   - Is there an optimal capital structure?

7. Mergers and Acquisitions

- Merger motives
- Types of acquisitions
- Value of corporate control
- Merger valuations
- Empirical evidence

8. Dividend Policy
    - Is dividend policy relevant?
    - Share repurchase and dividend policy

Please note: The topic contents in each week may take longer or shorter than one class! But the cases presentations related weeks are fixed.

Week	Topic and Readings
Week 1: August 13	Topic 1: Introduction • Course Overview • Corporation and Agency Issues • Review of Risk and Return Readings: RWJ Chapter 1, 10, 11, 13
Week 2: August 20	Topic 2: Capital Budgeting • Review of Portfolio Theory and CAPM • Risk, return, and cost of capital • Sensitivity, scenario and break-even analysis • Real Options Readings: RWJJS Chapter 6,7,13, 23
Week 3: August 27	Topic 3: Raising Capital • Issuing securities • Venture capital and IPO • Rights issue Readings: RWJJS Chapters 15, 20
Week 4: Sept 3	Topic 4: Capital Structure II • Theories of capital structure • Tax effects Readings: RWJJS Chapter 16 Discussion of Tutorial 1
Week 5: Sept 10	Topic 5: Capital Structure III • Limits to the use of debt • Costs of financial distress • Agency costs • Is there an optimal capital structure? Readings: RWJJS Chapters 17, 18
Week 6: Sept 17	Topic 6: Mergers and Acquisitions • Merger motives • Types of acquisitions • Value of corporate control • Merger valuations • Empirical evidence • Readings: RWJJS Chapter 29 Case 1 will be available by 12nn on Monday September 14.
	Recess Week: Sept 19– 27
Week 7: October 1	Topic 7: Dividend Policy Is dividend policy irrelevant? Share repurchase and dividend policy Readings: RWJJS Chapter 19 Discussion of Tutorial 2

	Assignment due by 12nn Monday September 28: Case 1. Case reports will be made available to the whole class. Assignment due by 12nn Friday October 2: One-page Critique of Case 1 from all non-presenting student groups.
Week 8: October 8	Midterm Test Date and Venue to be confirmed. Case 2 will be available by 12nn on Monday October 5.
Week 9: October 15	Presentation and discussion of Case 1 Case 3 will be available by 12nn on Monday October 12.
Week 10: October 22	There will be no regular class this week Assignment due by 12nn Monday Oct 19: Case 2. Case reports will be made available to the whole class. Assignment due by 12nn Friday Oct 23: One-page Critique of Case 2 from all non-presenting student groups.
Week 11: October 29	Discussion of Tutorial 3 Presentation and discussion of Case 2 Assignment due by 12nn Monday Oct 26: Case 3. Case reports will be made available to the whole class. Assignment due by 12nn Friday Oct 30: One-page Critique of Case 3 from all non-presenting student groups.
Week 12: November 5	Presentation and discussion of Case 3
Week 13: November 12	Final Test will cover all topics. Test Date and Venue to be confirmed