



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 Time: to be announced, and by appointment

Teaching Times, Modes and Locations

The Time: TBA

Modes: Online/Face-to-face

Location: Anywhere via online/Huajiachi Campus, Zhejiang University via face-to-face

Academic Level

Postgraduate

Units of Credit

The course is worth 6 units of credit

Credit Hours

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

Contact Hours

The course contains a total of 53 contact hours, which consists of orientation, lectures, seminars, quiz, discussion, research, case study, small tests, assignments, on-site field trip(s), in-class and after-class activities, revision and final exam. Students will receive an official transcript which is issued by Zhejiang University when completing this 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:

Prior knowledge in fundamental Finance is required for taking this course.

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:

- Online Lecture mode includes lectures, seminars, quiz, discussion, research, case study, small tests, assignments, online field trip(s), in-class activities, revision and final exam.
- Face-to-face Lecture mode includes lectures, seminars, quiz, discussion, research, case study, small tests, assignments, on-site field trip(s), in-class and after-class activities, revision and final exam.

The following course will be taught in English. There will also be guest speakers and optional field trips available for students who would like to enhance their learning experience. All courses and others sessions will be run during weekdays.

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	Lecture; Tutorial

- Agency Cost of Debt	
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
Seminar	
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	15%
Research and case study	15%
Group Assignment	20%
Final exam	50%

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.

