

Enquire Teaching Timetable

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Course Outcome

FINA 3070 - Corporate Finance: Theory and Practice

Learning Outcome

The goal of this course is to develop the concepts of modern financial theory and practical tools essential to corporate financial and investment decisions. Hence, it combines lectures, problem solving, academic paper reading and case analysis. Lectures and problem sets are used to hone the skills, academic paper reading deepens the understanding, and cases develop our decision-making ability under the complex real-world situation.

Course Syllabus

Basic Tools: Arbitrage and Discounting
Capital Structure: Modigliani and Miller
Capital Structure: Tax, Financial Distress Costs and Agency Conflicts
Capital Structure: Pecking Order Theory and Market Timing Theory
Payout Policy
Raising External Capital: Equity Issuance
Raising External Capital: Bond Characteristics, Valuation and Hedging
Portfolio, Diversification and CAPM
Capital Budgeting
Valuation
Real Options
Mergers, Acquisitions and Corporate Restructuring
Risk Management
Corporate Governance
Behavior Corporate Finance

Assessment Type

	Assessment Type	Current Percent
1	Homework or assignment	10
2	Project	30
3	Test or quiz	60

Feedback for Evaluation

CTE Questionnaires
Reflection of instructor

Required Readings

~ Jonathan Berk and Peter Demarzo, Corporate Finance, 2nd Edition (Pearson).

Recommended Readings

~ Shleifer, Andrei, and Robert Vishny (1997), "A Survey of Corporate Governance", Journal of Finance 52, pp. 737-783
~ Graham, John, Harvey, Campbell, 2001, The Theory and Practice of Corporate Finance: Evidence from the field, Journal of Financial Economics 60, 187-243
~ Baker, Malcolm, and Jeffrey Wurgler (2002), Market Timing and Capital Structure? Journal of Finance 57, 1-32
~ Ritter, J.R., 2003, Investment Banking and Securities Issuance, in: G.M. Constantinides, M. Harris, and R. Stulz (eds.), Handbook of the Economics of Finance, North-Holland.
~ Brav, Alon, Graham, John Harvey, Campbell, Micahely, Roni, 2005, Payout Policy in the 21st Century, Journal of Financial Economics 77, 483-527
Jenkinson, Tim and Howard Jones, 2009, "IPO Pricing and Allocation: A Survey of the Views of Institutional Investors", Review of Financial Studies 22, 1477-1504