

Course Syllabus

Course code	ECON130028.01	Compiled date	2020.02
Course title (Chinese)	公司财务学		
Course title (English)	Corporate Finance		
Credits	3	Total hours	54
Instructor	Qi Quan	Department	School of Economics
Semester	Spring	Contact email	quanqi@fudan.edu.cn
Prerequisite courses	Microeconomics		
(A) Classification of the course <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">Comprehensive <input type="checkbox"/></div> <div style="text-align: center;">Fundamental <input type="checkbox"/></div> </div> <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">Compulsory <input type="checkbox"/></div> <div style="text-align: center;">Elective <input checked="" type="checkbox"/></div> <div style="text-align: center;">Other <input type="checkbox"/> _____</div> </div>			
(B) Course objectives and contents <p>The purpose of this course is to help the students develop general insights on important topics in the area of corporate finance. After this course, they are expected to develop skills and knowledge necessary for the financial management of the corporations. Also, they will learn to find answers to corporate issues based upon theoretical models and empirics in this course.</p>			
(C) Textbooks and references (at least five)			
NO.	Author	Title	Publisher
			Year

1	Jonathan Berk and Peter Demarzo	Corporate Finance		2016 or previ ous versi ons
2	Richard A.Brealey, Stewart Myers, Franklin Allen	Principles of Corporate Finance	McGraw Hill Higher Education	2013
3		Lecture Notes		
3	Thomas E. Copeland, J. Fred Weston and Kuldeep Shastri	Financial Theory and Corporate Policy	Pearson Education Limited	2013
4	George M. Constantinides, Milton Harris and Rene M. Stulz	Handbook of the Economics of Finance, Volume 2A: Corporate Finance	North Holland	2013
6		Journal of Financial Economics	Elsevier	
7		Journal of Finance	Wiley-Blackwell	
8		Journal of Corporate Finance	Elsevier	

(D) Teaching arrangement and key points

Chapter	Hour	Contents and key points	Text/ refere nce	Homework and questions
Course outline and introduction to corporate finance	3	The distinction between corporate finance and accounting. What is corporate finance about? Different forms of firms, etc	Relate d chapte rs in the textbo ok and refere	Discussion in Class

			nce books	
Present Value	3	PV and NPV , Time Line, three rules, and the value of a stream of cashflows , etc	Related chapters in the textbook and reference books	Calculate PV of different streams of cashflows
How to value bonds and common stocks	3	What is bond? Different types of bond; The calculation of yield to maturity; What is stock? How to value stocks with Constant Growth Model and other models? etc.	Related chapters in the textbook and reference books	Calculation of the prices of different types of bond, yield-to-maturity; Value the stocks with growth models.
Risk and Return	3	How to define risk? How to measure risk and return? How to calculate historical returns; etc.	Related chapters in the textbook and reference books	Calculation of return, standard deviation, covariance and correlation. Calculation of historical risk and return.
CAPM and alternative models I	3	What is a portfolio? How to measure the risk and return of a portfolio? What is diversification? The efficient portfolio and tangent portfolio; Security	Related chapters in the textbook and	Measure the risk and return of a portfolio, calculate beta and use beta to calculate the expected return of the security

		market line	reference books	
CAPM and alternative models II	3	CAPM model and other asset pricing models; efficient market and market behaviors	Related chapters in the textbook and reference books	Discussion in class about different asset pricing models
Capital budgeting I	3	Why NPV? Compare with payback period, book rate of return and IRR; What is company and project cost of capital?	Related chapters in the textbook and reference books	Discussion in class
Capital budgeting II	3	Calculate free cash flow from financial statements; Different analyses to deal with the uncertainty	Related chapters in the textbook and reference books	Calculate the free cashflow from the project
Financing I	3	Does financing add value to the firm? Sources of financing; The mechanics of IPO and SEO	Related chapters in the textbook and	Discussion in class

			reference books	
Financing II	3	The theories of financing: Modigliani and Miller , trade-off theory, signaling theory and pecking-order theory	Related chapters in the textbook and reference books	Discussion in class
Dividend policy		Cash dividend, share repurchase and other forms of dividend; Related theories	Related chapters in the textbook and reference books	Discussion in class
Financial analysis and planning I	3	Capital budgeting when financing is not irrelevant; WACC method, Adjusted NPV method and Free Cash Flow to Equity method	Related chapters in the textbook and reference books	Calculate the cost of capital when financing is not irrelevant; Calculate the cost of capital with different methods.
Financial analysis and planning II	3	Analysis of financial statements; sources and uses of funds; different financial ratios	Related chapters in the textbook and	Calculate the uses and sources of funds; Understand different financial ratios and use them to judge the status quo of the firm

			reference books	
Corporate governance	3	What is corporate governance? What are the main mechanisms of corporate governance?	Related chapters in the textbook and reference books	Discussion in class
Case study	3	Capital budgeting with financial statements	Related chapters in the textbook and reference books	Discussion in class
(E) Grading Check Forms Check in <u>5%</u> Homework <u>15%</u> Midterm exam _____ Final exam <u>80%</u> Exam form Open-book <input type="checkbox"/> Closed-book <input type="checkbox"/> Other <input type="checkbox"/>				
(F) Online sources Personal homepage at http://www.econ.fudan.edu.cn/teacherdetail.php?tid=66 for lecture notes				

(G) A brief introduction of the instructors (200-300 words):

The lecturer teaches undergraduate course "Corporate Finance", graduate course "Finance II" and EMA course "China's capital markets". She has also published papers in internationally renowned journals such as Journal of Comparative Economics, Journal of Law and Economics and Journal of Financial Intermediation, and has been in charge of research projects of National Natural Science Fund and Shanghai Pujiang Talents plan.

*If the course is provided by several instructors, please indicate the one responsible for the course.