

Master of Science in Finance Program (MSF)
Department of Banking and Finance
Chulalongkorn Business School
Chulalongkorn University
Course Syllabus
Full-Time and Flexible Program

MS Teams code: **4ngzxg1**

Please use your student_id@student.chula.ac.th account to log in when using this code.

- | | | |
|-------------------------|--|--|
| 1. Course Number | 2604696 | |
| 2. Course Credit | 2 (2-0-6) | <i>due applied corporate finance & valuation</i> |
| 3. Course Title | Practical Corporate Financial Modeling | |
| 4. Faculty / Department | Commerce and Accountancy / Banking and Finance | |
| 5. Semester | 2 | |
| 6. Academic Year | 2022 | |
| 7. Instructor | Associate Professor Kanis Saengchote, Ph.D.
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Office Hours: by appointment only
Phone: 02-218-5682
E-mail: kanis@cbs.chula.ac.th | |
| 8. Measurement Method | <input checked="" type="checkbox"/> Letter Grade (A, B+, B, C+, C, D+, D, F) | <input type="checkbox"/> S/U |
| 9. Type of Course | <input checked="" type="checkbox"/> Semester Course | <input type="checkbox"/> Year Course |
| 10. Condition | <input checked="" type="checkbox"/> Prerequisite (2604631, 2604362) | <input type="checkbox"/> Co-requisite |
| | <input type="checkbox"/> Conerequisite | <input type="checkbox"/> Consent of Faculty |
| | <input type="checkbox"/> None | |
| 11. Status | <input type="checkbox"/> Compulsory Courses | <input checked="" type="checkbox"/> Elective course |
| 12. Curriculum | Master of Science in Finance Program | |
| 13. Degree | Master Degree | |
| 14. Hours / Week | 3 Hours (on various days) | |
| 15. Course Description | | |

Financial planning and assessment of financing needs; cost of capital estimation and capital budgeting; weighted average cost of capital model; adjusted present value model; corporate financial decisions and their impact on firm valuation

This course uses case studies to enhance student's understanding of managerial financial decision making. The course is designed to be very fast-paced and we will cover a lot of ground, as your life in the finance profession will be. Students are expected to spend a significant amount of their time outside class to consider each week's case and formulate a response through group work. **As a rule of thumb, you can expect to spend about 10 ADDITIONAL HOURS PER WEEK in addition to class time.** Specific topics in each year will vary, but as a guideline, we will cover classic topics such as short- and long-term financing, capital structure, cost of capital, as well as contemporary topics such as private equity and leveraged buyout.

You will practice applying the concepts and theories developed in other finance courses to "real-world" problems. In addition to understanding core financial principles, I expect you to be able to **analyze and discuss the underlying business economics of each case company**

Last updated: December 19, 2023

like a management consultant. At its most fundamental level, the course attempts to improve problem-solving skills: problem definition, gathering and organizing the relevant information, developing feasible alternative courses of action, evaluating alternative choices, and recommending and defending the best course of action.






16. Course Outline

16.1 Behavioral Objectives

	Behavioral Objectives	Learning Outcomes	Teaching Approach	Evaluation Approach
1.	Students are able to apply appropriate corporate finance theories to address real-world financial decisions faced by key decisions makers.	1.2, 3.1	Lecture, Case, Discussion	Case write-ups, Class participation
2.	Students are able to work as a team to solve case studies of real-world financial decisions, which involve identifying key issues, gathering relevant data, suggesting viable course of actions, and applying appropriate mathematical techniques to quantify the financial impact of the recommendation.	1.1, 3.1, 3.3, 4.1, 4.3, 4.4, 4.5	Case, Discussion	Case write-ups, Class participation, Peer assessment
3.	Students are able to discuss the merits of their recommendations with those of other groups in class.	2.2, 4.2, 5.2	Case, Discussion	Case presentation, Class participation

16.2 Tentative Class Schedule & Contents

Week	Description	Behavioral Objectives
1 Tuesday December 19, 2023 ✓	OVERVIEW OF CORPORATE FINANCE Lecture: Overview Workshop: Financial modeling For next class... • Gilbert Lumber Company	1
2 Thursday January 4, 2024 ✓	FINANCIAL FORECASTING Lecture: Capital Structure Theory Case Discussion: Gilbert Lumber Company > do this in class Please be ready to participate with your group.	1, 2, 3

Week	Description	Behavioral Objectives
3 Wednesday January 11, 2024 	COST OF CAPITAL (1) <i>tax friction</i> Lecture: Cost of Capital Case Discussion: Cost of Capital at DraftKings Please be ready to participate with your group. For next class... <ul style="list-style-type: none"> Bed Bath & Beyond: The Capital Structure Decision 	1, 2, 3
4 Tuesday January 30, 2024 	CAPITAL STRUCTURE DECISIONS *** Submit: Bed, Bath & Beyond *** Please be ready to discuss your submitted work. Case Discussion: Bed, Bath & Beyond <i>9/10</i> For next class... <ul style="list-style-type: none"> Chestnut Foods 	1, 2, 3
5 Tuesday February 6, 2024 	COST OF CAPITAL (2) / VALUATION ***Submit: Chestnut Foods *** Please be ready to discuss your submitted work. Case Discussion: Chestnut Foods <i>10/10</i> Lecture: Valuation Methods	1, 2, 3
6 Tuesday February 13, 2023 	ADVANCED FINANCIAL MODELS Guest Lecture: Private Equity or Private Debt or M&A (to be confirmed) For next class... <ul style="list-style-type: none"> Ferrari: The 2015 Initial Public Offering 	1, 2, 3
7 Thursday February 15, 2023 	ADVANCED FINANCIAL MODELS ***Submit: Ferrari *** Please be ready to discuss your submitted work. Case Discussion: Ferrari Lecture: Initial Public Offerings (IPOs) For next class... <ul style="list-style-type: none"> Elon Musk's Twitter Deal Valuation and Financing of the Leveraged Buyout 	1, 2

Week	Description	Behavioral Objectives
8 Tuesday February 20, 2023	LEVERAGED BUYOUTS Lecture: Leveraged Buyouts Case Discussion: Elon Musk's Twitter Deal Valuation and Financing of the Leveraged Buyout Please be ready to participate with your group. For next class... <ul style="list-style-type: none"> Luminar and the Rise of SPACs 	1, 2, 3
9 Tuesday February 27, 2023	IPO ALTERNATIVES Lecture: Special Purpose Acquisition Companies (SPACs) <i>alternative way to go to mkt</i> Case Discussion: Luminar and the Rise of SPACs Please be ready to participate with your group.	1, 2, 3
10 Wednesday March 14, 2023	PROJECT PRESENTATION <i>Why should company A buy B? Group project</i> <i>act as JB for buy side (why should we buy this)</i> <i>representing the deal</i>	1, 2, 3
Wednesday March 21, 2023	FINAL EXAM (3 hours) <i>Memo based <necessary written report></i>	1

17. Evaluation *- merger deal b/w 2 companies <14 Mar>* *what is the rational behind this?* *valuations*

Your grade for the course is based on the following:

Case Presentation	20%
Case Write-ups (3 cases)	20% <i>9, 10, 10 → 19.33</i>
Final Exam	50% <i>→ mini case and submit it via MS Team</i>
Class Participation	10% <i>→ 10</i>

17.1 Groups

All course work is done in groups of 3-5 students. **Once formed, groups cannot be changed.** While all write-ups are submitted by a group, you are expected to have a full understanding of any written material you or somebody else on behalf of you submits with your name on it. You must come to this understanding in collaboration with your group and you must be completely familiar with the material and able to answer questions about the assignment. (See Code of Academic Integrity below.)

17.2 Case Write-ups

A case write-up consists of a maximum of 2 pages of text (typed and double-spaced) plus a maximum of 3 pages of exhibits necessary to support the recommendation. Do not present materials that are not provided as part of the case study.

In analyzing cases, you should take the perspective of an external consultant to the case decision makers, i.e., CEO, CFO, Board of Directors, etc. A recommended (but not compulsory) components for a write-up includes:

- I. *Statement of Problem.* State the main problems of the case as precisely as possible.
- II. *Statement of Facts and Assumptions.* State the relevant facts of the case. Those facts that are not obvious from the case itself should be supported either by a calculation in the body of the write-up or in an exhibit. Clearly state any assumptions. Provide any necessary justification for your assumptions.
- III. *Analysis.* This contains your analysis of the various courses of available actions.
- IV. *Recommendation.*

For each case, questions are provided to help guide and focus your analysis. However, these questions are not intended to be a complete list of the relevant issues.

17.3 Group Project

[More details on this later.]

17.4 Final Exam

At the end of the course, you will be given an individual exam to evaluate you on the concepts learned in class as well as how to conduct valuation using different techniques. This will form part of your final evaluation.

17.5 Class Participation

Thoughtful and active participation is essential to a successful case discussion. Have your analysis available in class. I will evaluate individual participation on the basis of both quantity and quality, where the latter is more important. That is, talking for the sake of talking is not encouraged. Further, I will “cold call” on students. This is to further encourage students to participate and be prepared. Another factor in judging your participation is attendance; you cannot participate if you are not there. (See Classroom Etiquette below.)

18. Teaching Aids

Media

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> white/blackboard | <input type="checkbox"/> transparent sheets | <input checked="" type="checkbox"/> PowerPoint media |
| <input type="checkbox"/> electronic media, web sites | <input checked="" type="checkbox"/> Excel spreadsheet | <input type="checkbox"/> Others _____ |

Connecting with students

- | | | | |
|---|-----------------------------------|----------------------------------|---|
| <input checked="" type="checkbox"/> Email | <input type="checkbox"/> Facebook | <input type="checkbox"/> Twitter | <input checked="" type="checkbox"/> Other <u>Line group</u> |
|---|-----------------------------------|----------------------------------|---|

19. Reading List

Required textbook - none

Students are expected to read and prepare the cases prior to classes. The syllabus as well as lecture notes and handouts will be posted on Google Drive. For students interested in further readings, the following textbooks are recommended (but not required). Other editions of the textbooks are also adequate.

- *Principles of Corporate Finance*, by Richard Brealey, Stewart Myers and Franklin Allen, 11th Global Edition, McGraw-Hill, 2014
- *Corporate Finance*, Second Edition, by Jonathan Berk and Peter DeMarzo, Pearson/Addison Wesley, 2010.

Last updated: December 19, 2023

- *Valuation: Measuring and Managing the Value of Companies*, by Tim Koller, Marc Goedhart and David Wessels, Fifth Edition, John Wiley 2010.

20. Teaching Evaluation

20.1 Type of Evaluation

- ☒ CU-CAS
- ☒ Other (Please specify) Case assignment, class discussion and peer evaluation

20.2 Changes made in accordance to previous teaching evaluation

Revised teaching materials, new cases

20.3 Discussion or Analysis which develops Desired Characteristics of Chulalongkorn University

Students should possess well-round knowledge of corporate finance and should also be able to apply that knowledge, think critically, have problem solving skills, and have awareness of etiquette.

21. Classroom Etiquette

My goal is to have a classroom environment that enhances learning. In particular, I would like you to respect the following rules:

- Students are expected to attend every class and inform me in advance (via email) when unable to do so.
- Computers use is explicitly forbidden for any purposes other than taking notes or participating in class discussion. This includes checking e-mail and surfing the web using a laptop or any other device with an on/off button on it.
- Be courteous to your fellow students. Please refrain from engaging in any activities that will distract your classmates.

22. Code of Academic Integrity

The cornerstone of this *Code* is the recognition that we will not tolerate any acts of, including aiding and abetting, academic dishonesty.

Definitions

Acts of academic dishonesty include (but are not limited to) the following acts:

- Plagiarism: copying the original creations of another author without due acknowledgment.
- Fabrication: The falsification of data, information, or citations in any formal academic exercise.
- Deception: Providing false information to an instructor concerning a formal academic exercise – e.g., giving a false excuse for missing a deadline or falsely claiming to have submitted work.
- Cheating: Any attempt to give or obtain assistance in an academic evaluation exercise (like an examination). Cheating also includes possessing exam answers, and helping others cheat during class evaluation activities, such as copying homework or class assignments, or making your homework or class assignment available for others to copy.

- Bribery or paid services: Giving answers to academic evaluations or tests of others in exchange for money or non-monetary compensation.
- Sabotage: Acting to prevent others from completing their work.
- Impersonation: Assuming a student's identity with intent to provide an advantage for the student.

Expected Behavior

All students are required to read, understand, accept, and acknowledge the behaviors expected in the *Code of Academic Integrity*. Students are also required to read, understand, accept, and acknowledge the consequences for violating the *Code*.

Write-ups must be your original work. You may not use materials containing solutions or partial solutions to the assignment (including solutions prepared by current and former students). If your analysis contains information from outside sources, then you must properly cite the sources. You may discuss the cases with classmates, including those in other groups. This promotes learning. The work you hand in, however, must reflect your own thinking and interpretation. There is an important difference between discussing a problem or various assumptions (something to be encouraged) and copying another group's analysis in whole or in part (whether this group is in your class or another class).

While students are encouraged to work in groups, it is a violation of the *Code* to sign one's name to a case write-up if the assignment was completed substantially by others.

You may not consult with me on the basic arguments, analysis, or logic of your work prior to the class discussion since this would give an unfair advantage over your classmates.

PUNISHMENT

STUDENTS WHO VIOLATE THE CODE OF ACADEMIC INTEGRITY WILL BE PENALIZED.