

## MODULE DESCRIPTION

Module title	Finance 3
Module code	PFIN
Study program	Finance and Accounting (BFA), Business Administration (BBA)

### Module coordinator/Lecturer

Type	Lecturer	Email	Office	Office hours
Module Coordinator	Dr. Le Minh Hanh	hanh.lm@vgu.edu.vn	Cluster1 –R.506	9:00am – 4:00pm
Lecturer	Dr. Omer Cayirli	omer.cayirli@vgu.edu.vn	Cluster1 –R.522	9:00am – 4:00pm
Tutorial	None			
Other	None			

**Classification**   ☒ Compulsory   ☐ Compulsory optional   ☐ Optional/Elective

**Semester** Summer 2025

### Student workload

Credits	6	ECTS
Teaching periods	45	AHs
Assignments and independent learning	135	AHs
Total Working hours	180	AHs

**Frequency** The module is offered each summer semester.

### Prerequisites

- **For students from the 2021 intake and earlier:** To be eligible for the P-Modules, students must have passed **3/6 B-Modules including BFIN, BACC and BMGT**
- **For students from the 2022 intake and beyond:** To be eligible for the P Modules, students must pass **9 (all) O-modules**

**Applicability for other modules** *(This module is linked with other modules of the same program and in which way the module can be used in other modules)*

**Intended learning outcomes** Students participating in this course are expected to develop a thorough understanding of the foundations of the modern firm, and the core principles of corporate finance. In this context, the course will explore issues closely related to the financial management function. The implications of the emerging concerns on social responsibility and sustainability for corporate finance will also be discussed in this course.

The students are expected to acquire the skills and understanding needed for the successful execution of the investment principle, the financing principle, and the dividend principle after completing this course. Specifically, the students should assume the required knowledge and tools for addressing the following questions:

- ✓ What are the objectives of the modern firm and how do they relate to the corporate governance practices as well as sustainability and social responsibility?
- ✓ How is the risk priced and how it relates to the cost of capital of a firm?
- ✓ What are the main issues regarding capital structure decisions and how do the decisions on capital structure affect the achievement of a firm's objectives?
- ✓ What are the valuation methods and how to implement both intrinsic and relative valuation?
- ✓ How do the payout policies are structured and what are their implications for attaining the objectives of the firm?
- ✓ How are the short- and long-term financing decisions made and executed?
- ✓ What are the main risks firms encounter and how are they managed?

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### Contents *(Outline of subject and topics explored)*

No.	Topic	Teaching hours	Assignments and independent learning hours
1	The Modern Firm & Corporate Governance	6	18
2	Risk, Return & Cost of Capital	4	12
3	Capital Structure	8	24
4	Valuation	12	36
5	Payout Policies	4	12
6	Short- and Long-term Financing	8	24
7	Risk Management	3	9

**Learning activities** This course will utilize lectures, exercises, and self-study to attain the learning goals. These activities will be complemented by case studies and individual assignments. Since the lectures will adopt an interactive approach, students should spend sufficient time on assigned readings for each lecture before the class.

Activities	Explanation
<b>Attendance</b>	Attendance and active class participation are crucial for achieving the learning goals of this course. Students must comply with the University's attendance policy to earn credits toward their degree.
<b>Individual Assignments</b>	Yes.
<b>Group work</b>	None.
<b>Online Activities</b>	Yes.
<b>Self-study</b>	Yes.
<b>Internship</b>	None.
<b>Lab or Workshop</b>	None.
<b>Field Work</b>	None.

### Mode of assessment

The mode of assessment for this course is based on the portfolio approach. The portfolio consists of 2 (two) individual assignments, and a final exam (75 minutes). Participation and contribution to the in-class discussions are important parts of the portfolio. No weights are assigned to individual parts of the portfolio. The final grade for this course will be based on the student's progress and overall performance.

### Pass requirements:

A student is required to pass all assessment items to pass the course (competency and/or grade-based): **NO**

A student is required to attempt all assessment items to pass the course: **YES**

### Retake exam:

The portfolio approach will be applicable for the final grade in case a retake exam is needed/offered.

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### Module materials

**Required texts:** The following textbooks will be the main sources for assigned readings. For additional reading please see the detailed course schedule.

1. **(CF-B&D)** Jonathan Berk and Peter DeMarzo, Corporate Finance, 5<sup>th</sup> Ed. (Global), 2020.
2. **(ACF-D)** Aswath Damodaran, Applied Corporate Finance, 4<sup>th</sup> ed., 2015.

**Readings:** Required readings for specific lectures will be provided in the detailed course schedule.

**Slides:** Lecture slides will be available for access on the e-learning platform before each class (without exercises) and will be updated after each class (with exercises).

Written/updated by  
Dr. Omer CAYIRLI  
Date 04 /02 /2025

Approved by  
  
Date        /        /2025

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## DETAILED COURSE SCHEDULE

### Lecture 1 - Introduction

- General introduction to the course, a brief overview of contents, and learning goals.
- Foundations of the modern firm
- **Reading(s):** CF-B&D: Ch. 1, ACF-D: Ch. 1

### Lecture 2 – The Modern Firm and Corporate Governance

- Introduction to the theory of the firm
- Corporate governance
  - ✓ Environmental, Social, and Governance (ESG) goals, Corporate Social Responsibility (CSR), and Corporate Finance
- **Reading(s):** CF-B&D: Ch. 29, (1) [Value Maximization, Stakeholder Theory, and the Corporate Objective Function](#), (2) [Firms and social responsibility: A review of ESG and CSR research in corporate finance](#).

### Lecture 3 – Risk, Return & Cost of Capital

- Capital markets and the pricing of risk.
- The Capital Asset Pricing Model (CAPM)
- Estimating the Cost of Capital
- **Reading(s):** CF-B&D: Ch. 10, 11.7-11.8, and 12.

### Lecture 4 – Capital Structure I

- Equity vs. debt financing
- Modigliani-Miller propositions
- Debt, taxes, and tax shields.
- **Reading(s):** CF-B&D: Ch. 14 and 15.

### Lecture 5 – Capital Structure II

- Optimal capital structure
- Alternative capital structure theories
- **Reading(s):** CF-B&D: Ch. 16.

### Lecture 6 – Valuation I

- The Dividend-Discount Model.
- The Discounted Free Cash Flow Model (DCF Valuation)
- Sources of growth
- **Reading(s):** CF-B&D: Ch. 9, ACF-D: Ch. 12 (pp. 515-531)

### Lecture 7 – Valuation II

- Discounted cash flow methods
  - ✓ WACC method
  - ✓ Flow-to-equity approach
- **Reading(s):** CF-B&D: Ch. 18.1-18.5, ACF-D: Ch. 12 (pp. 531-562)

### Lecture 8 – Valuation III

- Adjusted Present Value (APV) approach
- Relative valuation
- **Reading(s):** CF-B&D: Ch. 18.6-18.8, ACF-D: Ch. 12 (pp. 562-577), [Damodaran - Relative Valuation](#)
- **Assignment #1 (Due before Lecture 11)**

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### Lecture 9 – Payout Policy

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- Dividend payout policies
- Share repurchases
- **Reading(s): CF-B&D: Ch. 17.**

### Lecture 10 – Short-term Financing

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- Working capital management
- Short-term financial planning
- **Reading(s): CF-B&D: Ch. 26, and 27.**

### Lecture 11 – Long-term Financing

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- Raising equity capital
- Debt financing
- **Reading(s): CF-B&D: Ch. 23, and 24.**

### Lecture 12 – Risk Management

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- Insurance
- Commodity Price Risk
- Exchange Rate Risk
- Interest Rate Risk
- **Reading(s): CF-B&D: Ch. 30.**
- **Assignment #2 (Due by 12/06/2025, 4:00 PM)**