



**University of International Business and Economics
International Summer School**

FIN 210 Corporate Finance

Term: May 24 - June 24, 2021

Instructor: Di Gong

Home Institution: University of International Business and Economics

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Class Hours: Monday through Thursday, 120 minutes each day (2,400 minutes in total)

Office Hours: TBD

Discussion Session: 2 hours each week

Total Contact Hours: 64 contact hours (45 minutes each, 48 hours in total)

Credit: 4 units

Course Description:

This course covers central issues in financial management and corporate finance. Students will learn how financial managers make investment, financing and other decisions and the tools they use to reach such decisions. Topics covered include time value of money, risk, valuation, capital structure, capital budgeting, dividend policy and mean-variance portfolio selection. The course provides the analytical tools and the financial theories needed to implement sound financial decisions within a corporation (and outside of a corporation). Ideas are presented in a cohesive way within the framework of the no-arbitrage principle, the fundamental principle shaping all aspects of modern finance. Command of the subject is crucially important for anyone considering a career not only in investment banking, investment management or trading, but also in general management, corporate strategy, management consulting, entrepreneurship, and the non-profit world.

Course Goals:

1. Price future certain (and uncertain) streams of income.
2. Apply valuation methods effectively when making capital-budgeting decisions.
3. Learn to value bonds.
4. Recognize the financial and strategic implications of alternative corporate financing decisions in different environments.
5. Learn to value stocks.
6. Understand the relationship between risk and return and how this relationship impacts valuation methods and investment decisions

Required Textbook:

Stephen Ross and Randolph Westerfield and Jeffrey Jaffe and Bradford Jordan
Corporate Finance 11th Edition (ISBN10: 0077861752 / ISBN13: 9780077861759)
Publisher: McGraw-Hill Education; 11th edition

Grading Policy:

The grade for the course will be based on the following:

Attendance and participation	10%
Homework	20%
Quiz	20%
Final Exam	50%

Grading Scale:

Assignments and examinations will be graded according to the following grade scale:

A	90-100	C+	72-74
A-	85-89	C	68-71
B+	82-84	C-	64-67
B	78-81	D	60-63
B-	75-77	F	below 60

Attendance: Class attendance is mandatory. Each student should read the assigned materials and give careful thought to background information prior to each class session.

Homework: Homework assignments are individual work and will be given after each class and will be due right before the beginning of the next class.

Exam: All exams will be held in class (or at a location to be announced) and are 'closed book'. Calculators may be used but accessing the Internet, using e-mail or any other text-messaging or internet devices, such as cell phones, smart watches or PDAs, will not be allowed. Exams must also be taken at the scheduled time. There will be no make-up exams.

Plagiarism & Fraud:

Cheating on exams and homework will not be tolerated. Evidence of cheating or submission of homework that is not the product of your own work will result in a score of zero. Repeated occurrences may result in disqualification.

Class Rules:

Students are expected to:

- Attend all classes and be responsible for all material covered in class and otherwise assigned. Any unexcused absence may impact a student's grade.

- Complete the day's required reading and assignments before class
- Review the previous day's notes before class; make notes about questions you have about the previous class or the day's reading
- Participate in class discussions and complete required written work on time
- **No electronics will be allowed to use during the lecture.**

Course Schedule:

Week	Date	TOPICS	READING
1	24-May-21	Introduction to Corporate Finance & Financial Statements and Cash Flow	CH. 1 & 2
	25-May-21	Financial Statements Analysis and Financial Models & Discounted Cash Flow Valuation	CH. 3 & 4
	26-May-21	Net Present Value and Other Investment Rules & Making Capital Investment Decisions	CH. 5 & 6
	27-May-21	Quiz and Assignment on Chapters 1-6	
2	31-May-21	Risk Analysis, Real Options, and Capital Budgeting & Interest Rates and Bond Valuation	CH. 7 & 8
	1-Jun-21	Stock Valuation & Risk and Return: Lessons from Market History	CH. 9 & 10
	2-Jun-21	Return and Risk: The CAPM Model & An Alternative View of Risk and Return: The APT	CH. 11 & 12
	3-Jun-21	Quiz and Assignment on Chapters 7-12	
3	7-Jun-21	Risk, Cost of Capital, and Valuation & Efficient Capital Markets and Behavioral Challenges	CH. 13 & 14
	8-Jun-21	Long-Term Financing: An Introduction & Capital Structure: Basic Concepts	CH. 15 & 16
	9-Jun-21	Capital Structure: Limits to the Use of Debt & Valuation and Capital Budgeting for the Levered Firm	CH. 17 & 18
	10-Jun-21	Quiz and Assignment on Chapters 13-18	
4	14-Jun-21	Dividends and Other Payouts & Raising Capital	CH. 19 & 20
	15-Jun-21	Leasing & Options and Corporate Finance	CH. 21 & 22
	16-Jun-21	Short-Term Finance and Planning & Cash Management	CH. 26 & CH. 27
	17-Jun-21	Quiz and Assignment on Chapters 18-25	

5	21-Jun-21	Credit and Inventory Management & Mergers and Acquisitions	CH. 28 & 29
	22-Jun-21	Financial Distress & International Corporate Finance	CH. 30 & 31
	23-Jun-21	COURSE REVIEW	
	24-Jun-21	FINAL EXAM	

Online Possibility:

Due to the on-going pandemic, there is a possibility that in-person courses are changed to online ones. UIBE ISS will notify the students once the decision has been made.

If the in-person courses are to be changed to online courses, we will make a few adjustments:

1. **Lecture:** Each lecture will be uploaded on UIBE's online learning platform on a daily basis. Students are required to watch them according to the course schedule.
2. **Discussion:** There will be an open session on ZOOM every week. The attendance of the discussion is important as it is part of your final score.
3. **Office hours:** I will release the office hours once the course starts. You are very welcome to send me emails to book my time. We will have video or audio calls through ZOOM. Please be noted to book them at least 3 days in advance.