



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

**FIN 305 Applied Corporate Finance**

**Term: May 24-June 24, 2021**

**Instructor: TBD**

**Home Institution: TBD**

**Email: TBD**

**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:**

If we can't apply what we have learned, who cares? This course is designed to develop students' ability to apply corporate finance knowledge in making financial decisions. Specifically, students will learn how to gather information, analyze it in light of theory and standard practice to arrive at value-creating financial decisions. Students will also develop skills to present and communicate their findings to a variety of audiences.

**Course Goals:**

1. Conduct financial statement analysis.
2. Discuss financing policy and sources of financial risk.
3. Evaluate stock prices and understand dividend policies, and its impact in the short-term and in the long-term.
4. Apply valuation in IPOs.
5. Discuss strategic decisions such as mergers and acquisitions and its impact on firm valuation.

**Learning Materials:**

**-Required Cases**

1. Costco Wholesale Corp. Financial Statement Analysis (A), product: A186A-PDF-ENG
2. Ceres Gardening Company: Funding Growth in Organic Products, product: 4017-PDF-ENG
3. Financial Policy at Apple, 2013 (A), product: 214085-PDF-ENG
4. Facebook, Inc.: the Initial Public Offering, product: W12453-PDF-ENG
5. Marriott Corp. (A), product: 394085-PDF-ENG

**-Suggested textbook**

Corporate Finance Author: Berk, Jonathan / DeMarzo, Peter Edition: 3<sup>rd</sup> Publisher: Prentice Hall, Inc.

**-Lecture notes**

Will be shared by the instructor.

**Grading Policy:**

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:** There will be individual assignment as well as group assignment. Individual assignment, if given, is due by Tuesday, Wednesday and Thursday.

Group assignment is weekly and is due by Sunday midnight. There will be specific questions raised for each case. The deliverable shall include an executive summary at the beginning of the report of no more than 150 words. The report shall not exceed three pages in total, 1.5 spaced. Figures, references, and tables are excluded from the page limit.

**Final presentation:** Team can choose one of the cases studied during the course to present. The presentation time is 30 minutes.

In this course, grading will be based on the following:

Assignment	Weight
Attendance	5%
Individual Homework	25%
Group assignment	50%
Final Presentation	10%
Peer Evaluation	10%

**Class Rules:**

Students are expected to: (faculty fill in as appropriate—here's an example):

1. Attend all classes and be responsible for all material covered in class and otherwise assigned. Any unexcused absence may impact a student's grade.
2. Complete the day's required reading and assignments before class

3. Review the previous day's notes before class; make notes about questions you have about the previous class or the day's reading
4. Participate in class discussions and complete required written work on time

### Academic Honesty:

Students are expected to maintain high standards of academic honesty. Specifically, unless otherwise directed by the professor, students may not consult other students, books, notes, electronic devices or any other source, on examinations. Failure to abide by this may result in a zero on the examination, or even failure in the course.

### Course Schedule:

#### WEEK ONE:

Class number	Content	Readings/materials	Due
Class 1	Introduction of Financial Markets	PPT Lecture notes	
Class 2	Review of financial statements	PPT Lecture notes	Individual assignment 1
Class 3	Financial analysis: - A six-step framework - Industry analysis	PPT Lecture notes	Individual assignment 2
Class 4	Live Session: Review of ratio analysis: DuPont System	Lecture notes Costco Case	Individual assignment 3

#### WEEK TWO:

Class number	Content	Readings	Due
Class 5	Discuss of Costco case	PPT	Group assignment 1: Costco case analysis
Class 6	Credit risk	PPT Lecture notes	Individual assignment 4
Class 7	Forecasting	PPT Lecture notes	Individual assignment 5

Class 8	Live Session: Debt financing and debt covenants - Agency cost of debt	PPT Lecture notes Ceres Gardening Case	Individual assignment 6
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**WEEK THREE:**

Class number	Content	Readings	Due
Class 9	Discuss of Ceres Case	PPT	Group assignment 2: Ceres case analysis
Class 10	Pricing of risk - Risk premium and market portfolio	PPT Lecture notes	Individual assignment 7
Class 11	Dividend and growth	PPT Lecture notes	Individual assignment 8
Class 12	Live Session: Dividend policy	PPT Lecture notes Apple's Case	Individual assignment 9

**WEEK FOUR:**

Class number	Content	Readings	Due
Class 13	Discussion of Apple's Case	PPT	Group assignment 3: Ceres case analysis
Class 14	Review of discounted cash flow approach of stock valuation	PPT Lecture note	Individual assignment 10
Class 15	Review of Capital Structure and WACC - pretax -after tax	PPT Lecture notes	Individual assignment 11

Class 16	Live Session: Signaling of capital structure	PPT Lecture notes Facebook's Case	Individual assignment 12
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**WEEK FIVE:**

Class number	Content	Readings	Due
Class 17	Discussion of Facebook's Case	PPT	Group assignment 4: Apple's case analysis
Class 18	Mergers and Acquisitions: - Purposes - Types - History	PPT Lecture notes	Individual assignment 11
Class 19	Sources of M&A Values - Theory - Evidence	PPT Lecture notes	Individual assignment 12
Class 20	Live Session: - Final presentation by the team - Cross border M&As (global evidence) - Domestic M&As (China evidence)	PPT Lecture notes Marriott Case	Group assignment 5: Marriott case analysis due in three days after the last class.

**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:

- 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.
- 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.
- 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.