

Capital University of Economics and Business

Overseas Chinese College

Course Syllabus

| | | | | | | |
|----------------------------|---|----|---|----|--|---|
| Year and Semester | 2024 Spring | | | | | |
| Course Name | Corporate Finance | | | | | |
| Course Code | CFA205 | | | | | |
| Course Type | <input type="checkbox"/> General Education (Required) | | <input type="checkbox"/> General Education (Elective) | | <input type="checkbox"/> Professional Course (Required) | |
| | <input type="checkbox"/> Basic Disciplinary Course | | <input type="checkbox"/> Professional Course (Expanded) | | <input checked="" type="checkbox"/> Professional Course (Elective) | |
| | <input type="checkbox"/> Professional Course (Advanced) | | | | | |
| Course Credits | 3 | | | | | |
| Course Hours | Total Class Hours | 48 | Lecture Hours | 48 | Experiment (Computer) Hours | 0 |
| Applicable object | <input type="checkbox"/> Freshman <input checked="" type="checkbox"/> Sophomore <input type="checkbox"/> Junior <input type="checkbox"/> Senior | | | | | |
| | <input type="checkbox"/> Business Administration (Accounting) | | | | | |
| | <input checked="" type="checkbox"/> Information Management and Information Systems (Finance) | | | | | |
| Prerequisites | CFA Financial Reporting and Analysis | | | | | |
| Instructor | Xueying Zhu | | | | | |
| Contact Information | Office: C204 | | | | | |
| | Tele: | | | | | |
| | Email: xyzhu1114@163.com | | | | | |
| Office Hour | M: 11:35-12:20; W/ F: 8:50-9:35; Th: 9:55-12:20 | | | | | |
| Learning Centre | M: 9:55-11:30; 18:00-20:00 (Online) | | | | | |
| Grade/Section | 2022CFA | | | | | |
| Course Time/Place | F: 9:55-12:20/ A102 | | | | | |
| Textbook | SchweserNotes 2024 Level I CFA Book 2: Portfolio Management (Part One) and Corporate Issuers, Kaplan Inc. USA, ISBN: 978-7-5217-5647-0 | | | | | |

Reference Book

- Richard A. Brealey, Stewart C. Myers, Franklin Allen, Principles of Corporate Finance, 12th Edition, 2017, McGraw-Hill Education, ISBN: 978-1-259-14438-7
- Jonathan Berk, Peter DeMarzo, Corporate Finance, 4th Edition, 2017, Person Education, ISBN: 978-1-292-16016-0

Course Description

CFA205 Corporate Finance is an elective professional course for students majoring in finance, as well as an exam course of CFA Level I. This course aims to prepare students with the knowledge of financial management expected of a financial analyst. This course will be delivered by a plenty of case studies and reference materials to help students better understand corporate finance core concepts such as investment appraisal, financing, operating and financial leverage, as well as working capital managements.

Student Learning Objectives

On successful completion of this exam, candidates should be able to:

| | |
|------------|--|
| Knowledge | <ul style="list-style-type: none"> • Describe a company's corporate governance and other ESG considerations; • Demonstrate the capital budgeting process; • Estimate a company's cost of capital; • Define leverage and classify risks; • Illustrate the liquidity position of a company. |
| Capability | <ul style="list-style-type: none"> • Calculate and interpret different methods of different types of project; • Analyze a company's cost of capital; • Compute the degree of three different leverages; • Evaluate a company's short term operation situation and compare with peer companies |
| Mindset | <ul style="list-style-type: none"> • Be logical, methodical, consistent and accurate • Apply critical thinking in the process of decision making • Be integrity, ethical, confident • Be cautious and corporative, keep communication with others • Care about public interest |

Website Source

1. <https://www.cfainstitute.org/>
2. <http://www.szse.cn/>
3. <http://www.sse.com.cn/>
4. <http://www.bse.cn/>

Teaching Methods

This course contains lectures, class discussions, homework, quizzes, presentation and exams. Textbook content will be introduced first. Then real case and practice questions will be delivered to students as a way to test their understanding of the knowledge. This will require individual or group assignment in or after class.

Grade Criterion

| Component | Weight | Description |
|------------|--------|--|
| Final Exam | 20% | A cumulative final examination will be given based on all of the contents of the class. The exam paper may be composed of multiple-choice questions, short answer questions, essay questions. Students should rely primarily on in-class exercises, quizzes to give them a sense of what they may see for material on exams. |

| | | |
|---------------|-------------|--|
| Mid-Term Test | 20% | A cumulative midterm test will be given based on all of the contents that have been taught in class. The test paper may be mainly composed of multiple-choice questions. |
| Homework | 15% | Most of the assigned homework is taken from the Exercises in the textbook and tutor's notes. Assignments will be collected at the clearly stated date. Late assignments will not be accepted. The graded assignments may be kept by the tutor for reference and won't be returned to students. |
| Quizzes | 15% | There will be 2 quizzes during the semester. Quizzes will be announced in advance. It may also be used as a way to check the attendance. Quizzes will test your knowledge of both concepts and the application of those concepts. |
| Presentation | 10% | The students will be divided into several groups to prepare a presentation. Each student is required to be involved in the presentation. The topics can be selected from the textbook or lectures. Each group need to finish a PPT related to the topic which is given and hand in the related resources to the teacher before the presentation. |
| Participation | 10% | Individuals will be asked to participate individually in a question and answer at least 5 times during the semester. The performances should be counted in their participation. |
| Attendance | 10% | Refer to attendance policy listed below |
| Total | 100% | |

Detailed Grade Computation

| | Before Midterm | After Midterm |
|---------------|----------------|---------------|
| Attendance | 5% | 5% |
| Participation | 5% | 5% |
| Homework | 5% | 10% |
| Quizzes | 10% | 5% |
| Presentation | | 10% |
| Mid-Term Test | 20% | |
| Final exam | | 20% |
| Total | 45% | 55% |

Assessment of Student Performance

☞ Self-Study and Reading ability Practice

Instructor will give out the chapters or the reference books to read and use class hours to have discussion; students should be able to show a proactive attitude and ability for self-study and reading. Knowledge and oral English will be elements of homework or presentation score.

☞ Homework

Students should finish their homework by themselves. Copying from others will be treated as cheating and the homework scores will be lowered. Students should hand in all assignments on time. Late assignments will be accepted at the discretion of the instructor (i.e., when the student was ill or had an excused absence). Late assignments without reasonable proof will be reduced in score by 50%.

☞ Quizzes/ Test and Exams

There are at least 2 quizzes, 1 midterm test and 1 final exam during the semester. Quizzes may or may not be announced in advance.

Unless otherwise noted in class, students are expected to memorize the formulas and computations used to solve problems. Anything said or presented in class, in the text, on homework, or previous quizzes or exams may be tested. Exam/quiz papers may be composed of multiple-choice questions, short answer questions, essay questions, and calculation problems. Students may not leave the room during an exam/quiz unless they are ready to turn in their paper. All personal communication devices should be turned off and put away during class and exam/quiz time.

☞ Presentation

The students will be divided into groups to prepare a presentation. Each student is required to be involved in the presentation. Each group needs to finish a PPT related to their topic and submit it before their presentation.

☞ Attendance

Because the course covers a great deal of material, attending every class session is very important for performing well.

- ♦ Being late for 15 minutes or more is considered an absence.
- ♦ Five hours or above of unexcused absences will result in the lower level of the final grade by one grade band (e.g. from C – to D +). Any excused absence must be discussed directly with the teacher.
- ♦ Absence which is more than 1/3 of the total teaching hours will cause an F (a failing grade) directly. but students are welcome to continue attending classes.
- ♦ An incomplete grade (I) will be considered in case of medical or family emergencies.

☞ Participation

- ♦ Students should participate in classes actively. Half of participation grade is determined by their presentation in class. They are encouraged to ask questions relevant to the subject and express their own opinions. Every student should respect the ideas, opinions, and questions of their classmates.
- ♦ Students should also use office hours to ask questions or talk with the instructor for good communication and effective learning.
- ♦ Frequent visiting the instructor and chatting in English during office hours is highly recommended.
- ♦ Any misbehavior and non-class related activities in class will result in the lower level of the participation grade, including ringing cell phones.
- ♦ All above behaviors will be solely evaluated by the instructor for scoring.

☞ Textbook

Students must bring the textbook to class.

Topical Course Outline

| Week | Topics | Homework |
|------|--|----------|
| 1 | <ul style="list-style-type: none"> ● Syllabus Explanation ● Course Introduction ➤ Reading 22. Organizational Forms, Corporate Issuer Features, and Ownership <ul style="list-style-type: none"> · Module 22.1: Features of Corporate Issuers | |
| 2 | <ul style="list-style-type: none"> ➤ Reading 23. Investors and Other Stakeholders <ul style="list-style-type: none"> · Module 23.1: Stakeholders and ESG Factors | |
| 3 | <ul style="list-style-type: none"> ➤ Reading 24. Corporate Governance: Conflicts, Mechanisms, Risks, and Benefits <ul style="list-style-type: none"> · Module 24.1: Corporate Governance ◆ Quiz 1 | |
| 4 | ❖ <u>Qingming Festival</u> | |
| 5 | <ul style="list-style-type: none"> ➤ Reading 26. Capital Investments and Capital Allocation <ul style="list-style-type: none"> · Module 26.1: Capital Investments and Project Measures | |
| 6 | <ul style="list-style-type: none"> ➤ Reading 26. Capital Investments and Capital Allocation (Cont.) <ul style="list-style-type: none"> · Module 26.2: Capital Allocation Principles and Real Options | |
| 7 | <ul style="list-style-type: none"> ➤ Reading 25. Working Capital and Liquidity <ul style="list-style-type: none"> · Module 25.1: Liquidity Measures and Management | |
| 8 | ❖ <u>Spring Sports Meeting</u> | |
| 9 | ◆ Midterm Test | |
| 10 | ❖ <u>Labor Day</u> | |
| 11 | <ul style="list-style-type: none"> ➤ Reading 27. Capital Structure <ul style="list-style-type: none"> · Module 27.1: Weighted-Average Cost of Capital | |
| 12 | <ul style="list-style-type: none"> ➤ Reading 27. Capital Structure (Cont.) <ul style="list-style-type: none"> · Module 27.2: Capital Structure Theories | |
| 13 | <ul style="list-style-type: none"> ◆ Quiz 2 ➤ Reading 34 (2023). Measures of Leverage <ul style="list-style-type: none"> · Module 34.1: Leverages · Module 34.2: Breakeven Analysis | |
| 14 | <ul style="list-style-type: none"> ➤ Reading 28. Business Models <ul style="list-style-type: none"> · Module 28.1: Business Model Features and Types | |
| 15 | ◆ Presentations | |
| 16 | ◆ Review | |

Note: Wechat group and Xuexitong will be used to facilitate our teaching and learning activities. The Wechat group will be mainly used to inform the students study activities and answer questions. Xuexitong will be used as the main study platform to organize the study activities and upload learning materials.

Some chapters or sections may leave for self-study, this is the students' duty to learn and understand, they may also be included in the quizzes or exams. A review in Chinese may be held during L.C. and O.H. in the semester.

Teacher's Office Hour

- ◆ The instructor's office hour is shown in the front of the office door.
- ◆ Students are suggested to use the instructor's office hour and learning center to ask questions or talk with the instructor once at least per week for good communication and effective learning, which is recorded in the students' participation.
- ◆ The time can be scheduled by instructors or students, or both.

Cheating and Plagiarism

Cheating is not tolerated. Any student caught cheating on a quiz; test or exam will be given a mark of zero (0) for the particular work. At the beginning of the semester the definition of plagiarism will be carefully explained, when any thoughts or writings of another person are used, they must be clearly identified (usually one uses quotation marks) and the source noted. **If any student is caught cheating on any homework assignment, the highest score the student can earn in that course is a "C".**

Important Dates

| | |
|--------------|--|
| Midterm Test | Week 9 |
| Final Exam | Refer to the notice of the Academic Affairs Office |

Note: This syllabus is tentative and may be changed or modified throughout the semester. All students will be notified and a new syllabus will be given.

Instructor: _____

Department Head: _____

