



### FI510 Corporate Finance (Postgraduate)

<b>Instructor Information</b>	Fangzhou Liu Home Institution: Shanghai University of Finance and Economics Email: liu.fangzhou@mail.shufe.edu.cn Office Hours: Determined by Instructor		
<b>Term</b>	June 27, 2022 - July 22, 2022	<b>Credits</b>	4 units
<b>Class Hours</b>	Monday through Friday, 120 mins per teaching day		
<b>Discussion Sessions</b>	2.5 hours each week, conducted by teaching assistant(s)		
<b>Total Contact Hours</b>	66 contact hours (1 contact hour = 45 mins, 3000 mins in total)		
<b>Required Texts (with ISBN)</b>	Jonathan Berk and Peter DeMarzo - Corporate Finance, 4 <sup>th</sup> edition, Pearson. (ISBN 9781292160160)		
<b>Prerequisite</b>	Students are expected to have a thorough knowledge of all material covered in an introductory finance course.		



## Course Overview

This graduate-level course studies corporate finance, emphasizing the financial aspects of managerial decisions. It touches on the valuation of real and financial assets, risk management and financial derivatives, corporate financing, and dividend policy. The course draws heavily on empirical research to help guide managerial decisions.

## Learning Outcomes

After successfully completing this course you should be able to:

1. Determine the optimal capital structure for a firm.
2. Perform an internally consistent corporate valuation using the discounted cash flow approach.
3. Evaluate equity financing options.
4. Estimate the impact on a firm's cash flows from implementing a risk management policy using options contracts and estimate the intrinsic value of those contracts.
5. Identify real options which are likely to affect firm value and perform a real options valuation.
6. Analyze whether a proposed corporate transaction is in the best interests of the firm's shareholders.



## Grading Policy

Mid-term Exam	25%
Case Study	25%
Final Exam	50%

## Grading Scale is as follows

Number grade	Letter grade	GPA
90-100	A	4.0
85-89	A-	3.7
80-84	B+	3.3
75-79	B	3.0
70-74	B-	2.7
67-69	C+	2.3
65-66	C	2.0
62-64	C-	1.7
60-61	D	1.0
≤59	F (Failure)	0



## Class Schedule

Date	Lecture	Readings
Day 1	Introduction to Corporate Finance	Chapter 1
Day 2	Principles of Valuation	Chapter 3, 4&5
Day 3	Principles of Valuation	Chapter 3, 4&5
Day 4	Capital Budgeting (I)	Chapter 7&8
Day 5	Capital Budgeting (II)	Chapter 7&8
Day 6	Firm Valuation (I)	Chapter 9
Day 7	Firm Valuation (II)	Chapter 9
Day 8	Firm Valuation (III): Application	Chapter 19
Day 9	Mid-semester Exam Review	Chapter 1, 3, 4, 5, 7, 8, 9, 19
Day 10	Mid-semester Exam	N/A
Day 11	Firm Valuation (IV): Application	Chapter 19
Day 12	Raising Equity Capital	Chapter 23
Day 13	Raising Debt Capital	Chapter 6&24
Day 14	Efficient Market Hypothesis	Chapter 13
Day 15	Capital Structure (I)	Chapter 14, 15&16
Day 16	Capital Structure (II)	Chapter 14, 15&16
Day 17	Options and Corporate Finance (I)	Chapter 20, 21&22
Day 18	Options and Corporate Finance (II)	Chapter 20, 21&22
Day 19	Final Exam Review	1, 3-9, 13-16, 19-24
Day 20	Final Exam	N/A