

SYLLABUS

1. COURSE INFORMATION

- 1.1 Course title: **CORPORATE FINANCE 1** Course code: FINA3319
1.2 Provided by: School of Advanced Study
1.3 Credits: 03
Self-study hours: 90 hours

2. COURSE OVERVIEW

Corporate Finance 1 is designed as a foundation subject for the Bachelor of Finance-Banking program to provide analytical and theoretical basis for the study of specialized subjects. This subject provides students with basic knowledge of the following topics: Financial objectives and decisions, Reading and understanding main financial statements of a corporation and conducting analysis of corporate financial statements, discounted cash flow models, risk and return, asset pricing models, bond valuation, stock valuation, leverages, Capital Structure and Dividend Policy. This subject is very important as it aims to provide a solid foundation for students before enrolling in specialized subjects in finance in the later years.

3. TEACHING OBJECTIVES

3.1. General objectives

The objective of this course is to enable students to possess basic theoretical knowledge of corporate finance and issues related to investment decisions, capital mobilization, capital structure and the corporation's dividend policy. The students are expected to obtain a solid foundation of corporate finance knowledge before enrolling in further specialized subjects in finance and banking.

3.2 Specific objectives:

3.2.1 Knowledge

Upon completion of this course, the students will be able to:

- Identify the objectives and explain the decisions the financial status of the corporation
- Analyze and evaluate the financial performance of the corporation.
- Apply the knowledge, concepts and analytical tools such as time value of a, discounted cash flow models, return and risk, asset valuation model in the analysis and decision-making investment process
- Analyze and make decisions in regards of the capital structure and dividend policy of the corporation.

3.2 Skills

In terms of skills, the students will be able to apply concepts, tools and especially financial models for analysis and decision-making related to corporate finance. Additionally, the students will be able to collect financial data for analyzing and explaining phenomena related to the corporation through the financial model

3.2.3 Attitudes

This subject is arranged in the first academic year when the new students is admitted to the school and therefore, help students gradually change and adapt to the new learning environment. It also aims to create and gradually change students' attitudes from solving the problems using formulas and financial models with given data knowing organization to self-seeking data and applying formulas and financial models with the corporation's practices in reality.

4. TEACHING CONTENTS

No	Chapter	Details	Hours				Notes for preparation
			TT	T	E	P	
1.	Module 1: Overview of Corporate Finance 1	1. Types of business 2. Objectives of the business 2.1. Value creation 2.2. The conflict between the owner and the manager (principal – agent issue) 2.3. Responsibility to society 3. The concept of corporate finance 4. The major decisions of corporate finance 4.1. Investment decision 4.2. Financing Decision 4.3. Dividend policy Decision 4.4. Other financial decisions 5. The business environment of the corporation 5.1. Tax environment 5.2. Financial environment 5.3. Financial system 5.4. Market Efficiency Hypothesis	13,5	4,5	9		Chapter 1
2.	Module 2: Financial	1. Read and understand the financial statements					

No	Chapter	Details	Hours				Notes for preparation
			TT	T	E	P	
	Statements Analysis	1.1. The concept of financial statements 1.2. Read and understand the balance sheet 1.3. Read and understand the contents of the income statement 1.4. Read and understand the content of cash flow statement 2. Analysis of the financial statements 3.1. Materials for analysis 3.2. A guide to the analysis of financial statements 3.3. Ratios analysis 3.4. Trend analysis 3.5. Common size analysis 3.6. Du Pont Analysis 3.7. Applications and limitations of financial statement analysis	13,5	4,5	9		Chapter 2, 3
3.	Module 3: Time value of money and Discounted Cashflow Model	1. Cases to illustrate the concept 2. The time value of money 2.1. The future value of a cash flow 2.2. The current value of a cash flow 2.3. Determine the interest rate factor 2.4. Determine the term factor 3. The time value of a cash flow series 3.1. Definition of cash flow series 3.2. Time value of an annuity 3.3. Time value of an uneven cash flow series 4. Time value of money when interest is compounded multiple times in a year 5. Nominal interest rate and effective interest rate 6. Discounted cash flow model (DCF model)	13,5	4,5	9		Chapter 4

No	Chapter	Details	Hours				Notes for preparation
			TT	T	E	P	
		6.1. Estimate the cash flow 6.2. Estimate discount rate 7. Determining Time value of money: Calculating Techniques Guidance					
4.	Module 4: Risk – Returns and Capital Asset Pricing Model (CAPM)	1. Case illustrates the concept 2. Definition of risk and returns 3. Measuring risk 3.1. Expected returns and standard deviations 3.2. Coefficient of variation 4. Attitude towards risk 5. Returns and risk of a portfolio 5.1. Returns of the portfolio 5.2. Risk of the portfolio 5.3. Standard deviation of some special portfolio 6. Diversify portfolio to reduce risk 7. Capital asset pricing model 7.1. Introduction 7.2. Assumptions of the CAPM model 7.3. The content of the CAPM model 7.4. Advantages and disadvantages of the CAPM model 8. Capital Market Theory and CAPM Model 8.1. Assumptions 8.2. Capital market line (CML) 8.3. Formulae of capital market demonstration 8.4. The relationship between capital market theory and capital asset pricing model	13,5	4,5	9		Chapter 10, 11

No	Chapter	Details	Hours				Notes for preparation
			TT	T	E	P	
		9. The CAPM model in the context of capital markets in Vietnam					
5.	Module 5: Bond Valuation	1. Reasons for investing in debt securities 2. Investment in short-term debt securities 2.1. Investment in Treasury bills or risk-free securities 3. Investment in debt securities or long-term bonds 3.1. Determining bond investment opportunities 3.2. Valuation of bonds 3.3. Bond yields 3.4. Analysis of bond price volatility 3.5. Bonds investment decisions	13,5	4,5	9		Chapter 8
6.	Module 6: Stock Valuation	1. Introduction to equity securities 2. Identify opportunities and objectives of equity investment 3. Valuation of common stock 3.1. The characteristics of common stock 3.2. Stock valuation 4. Valuing preferred stocks 4.1. Distinguishing preferred stock and common stock 4.2. Valuing preferred stock 5. Stock yields 6. Stock investment decision making	13,5	4,5	9		Chapter 9
7.	Module 7: Capital Budgeting	1. Types of investment projects in the corporation 2. Process of analysis and investment decision 3. Criteria for investment decision of the project 3.1. Payback period (PBP)					

No	Chapter	Details	Hours				Notes for preparation
			TT	T	E	P	
		3.2. Net present value (NPV) 3.3. Profitability index or benefit-cost ratio (Profitability Index or Benefit-Cost Ratio) 3.4. Internal Rate of Return (IRR) 3.5. Modified internal rate of return (MIRR) 4. Estimated cash flow of the project 4.1. Concept of cash flow 4.2. Guide to estimate cash flow 5. Determining the discount rate 6. How to use the criteria to decide on investment? 7. Capital distribution under limited source conditions 8. Illustrate the practice of project analysis and evaluation	13,5	4,5	9		Chapter 5
8.	Module 8: Short term assets management	1. Analyze and decide the balance of funds 1.1. The reasons for holding the corporation cash 1.2. Determining the target cash balance 1.3. Managing cash receipts 1.4. Costs due to money transfer 1.5. Investment of temporary idle money 2. Receivables management 2.1. Credit policy 2.2. Analysis of the financial credibility of customers 2.3. Methods to improve the efficiency of customer debt collection 3. Inventory management 3.1. Impact of inventory 3.2. Inventory classification 3.3. The economic order quantity model (EOQ)	13,5	4,5	9		Chapter 27, 28

No	Chapter	Details	Hours				Notes for preparation
			TT	T	E	P	
		3.4. Determine the quantity order point					
9.	Module 9: Operating and Financial Leverages	1. Operating Leverage 1.1 Analyze the impact of operating leverage 1.2 Break-even analysis 1.3 The meaning of break-even point BEP 1.4 Degree of operating leverage (DOL) 1.5 Relationship between DOL and BEP 1.6 Relationship between DOL and business risk 1.7 Implication of operating leverage for management 2 Financial leverage 2.1 Relationship analysis of EBIT and EPS 2.2 Degree of Financial leverage DFL Financial leverage and financial risk 3. Degree of Total Leverage: The combination of DOL and DFL	13,5	4,5	9		Chapter 16, 17
10	Module 10: Dividend and Dividend Policies	1. Cash dividend and dividend payment 2. Does dividend policy matter 3. Real world factors favoring a low payout 4. Real world factors favoring a high payout 5. Stock repurchases: An alternative of cash dividend 6. Stock dividend and Stock split	13,5	4,5	9		Chapter 19
	TOTAL		135	45	90		

Note: TT: Total number of lessons; T: Theory; E: Exercises; P: Practices

5. TEACHING MATERIALS

5.1. Textbook

Ross, Westerfield, and Jaffe (2013), Corporate Finance, 10th Edition, McGraw-Hill.

5.2. Supplementary Readings

Nguyễn Minh Kiều, (2015), Tài chính doanh nghiệp căn bản, NXB Tài chính

Brigham, E et al. (2010), Essentials of Financial Management, Thomson Cengage Learning.

6. ASSESSMENTS

No.	Assessment details	Percentage
1	Mid-Term Exam	50%
2	Final Exam	50%
	Total	100%

7. TEACHING SCHEDULES

Week	Topic	Learning materials and activities
1	Module 1	Chapter 1, Discussion and exercises
2	Module 2	Chapter 2,3, Discussion and exercises
3	Module 3	Chapter 4, Discussion and exercises
4	Module 4	Chapter 10, Discussion and exercises
5	Module 4 (cont) + Midterm assessment	Chapter 11, Discussion and exercises Midterm review
6	Module 5	Chapter 8, Discussion and exercises

7	Module 6	Chapter 9, Discussion and exercises
8	Module 7	Chapter 5, Discussion and exercises
9	Module 8	Chapter 27, 28, Discussion and exercises
10	Module 9	Chapter 16, 17, Discussion and exercises
11	Module 10 + review	Chapter 19, Discussion and exercises

**BY ORDER OF THE RECTOR
AUTHORIZED BY DEAN OF THE SCHOOL
VICE DEAN OF THE SCHOOL**

(signed)

VÂN THỊ HỒNG LOAN