

SYLLABUS

1. COURSE INFORMATION

- 1.1 Course title: **CORPORATE FINANCE 2** Course code: FINA3322
1.2 Provided by: School of Advanced Study
1.3 Credits: 03
Self-study hours: 90 hours

2. COURSE OVERVIEW

Corporate Finance 2 is a required subject for the bachelor program in Finance and Banking. This course aims to provide advanced theoretical knowledge that has not yet presented in the subject Corporate Finance 1 as the basis for the study of specialized subjects and further research in Corporate Finance. This course provides students with knowledge of the following topics: Corporate financial planning, NPV and other indicators for investment project evaluations, Arbitrage Pricing Theory (APT), Financial planning for capital for leveraged companies, Options, Convertible bonds, Merger and acquisitions. Although this subject examines the advanced topics of Corporate Finance, it mainly focuses on the theoretical aspects to provide students with theoretical foundation to enroll in specialized subjects including Financial Investment, Portfolio Management, Derivative Instruments, Investment Appraisal and Financial Risk Management.

3. TEACHING OBJECTIVES

3.1. General objectives

The objective of this course is to provide advanced theoretical knowledge of corporate finance and issues related to investment decisions, capital mobilization, capital structure and dividend policy of the company. Upon completion, students will have more comprehensive understanding to enroll in specialized banking and finance subjects in later years.

3.2 Specific objectives:

3.2.1 Knowledge

Upon completion of this subject, the students will be able to

- Analyze the process of financial planning
- Evaluate investment projects by applying criteria other than NPV such as payback period, internal rate of return, profitability index.
- Explain concepts and apply other analytical tools such as Arbitrage Pricing theory (APT), capital planning for leveraged companies, options, warranties and convertible bonds, mergers and acquisitions...

3.2.2 Skills

In terms of skills, this subject equips and trains students to be able to apply concepts, tools, especially financial models for analysis to make decisions related to corporate finance. In addition, the students will possess skills in collecting financial data to analyze and explain phenomena in corporations by using different financial models.

3.2.3 Attitudes

This subject is designed for second or third year students when the students have already been adapting to the new learning environment as well as improving English proficiency. Therefore, this subject can be taught by English which aims to improve English language proficiency in a higher level. In addition, it also creates and gradually changes the attitude of students from using the formulas and financial models with the data given to self-searching, data retrieval, and application of formulas and financial models to solve problem/explain phenomena of the corporations in reality.

4. TEACHING CONTENTS

No	Module	Details	Hours				Notes for preparation
			TT	T	E	P	
1.	Module 1: Arbitrage Pricing Theory (APT)	1. Systematic Risk and Beta 2. Portfolio and and multi-factor model 3. Beta, arbitrage trading and expected return 4. Asset pricing model capital and arbitrage pricing theory 5. Asset valuation: an empirical approach	13,5	4,5	10		Chapter 12
2.	Module 2: Options and Corporate Finance	1. Fundamentals of Options 2. Options Valuation 3. Stock and Bond Investment as Options 4. Applications	13,5	4,5	10		Chapter 22, 23
3.	Module 3: Warrants and Convertible Bonds	1. Warrants 2. Warrants valuation using Black Scholes Model 3. Convertible Bonds 4. Convertible Bonds Valuation	13,5	4,5	10		Chapter 24

No	Module	Details	Hours				Notes for preparation
			TT	T	E	P	
4.	Module 4: Financial Planning	1. Definition of financial planning 2. A simple financial planning model - Projecting income statements - Projecting balance sheets 3. Financial planning according to sales percentages 4. External financing and growth 5. Limitations of financial planning	13,5	4,5	10		Chapter 3
5.	Module 5: Long- term assets Investment	1. Forecast cash flow projection Expansion and replacement projects 2. Decision on investment of the project: Assessment criteria and project selection 3. Advantages and disadvantages of each project evaluation criteria (NPV, payback period, Payback period discount, rate of return Internal Rate (IRR) and Rate Internal gain correction (MIRR), Capacity Index profitable (PI) 1.3 4. Capital distribution in limited sources of fund 5. Practicing capital budgeting	13,5	4,5	10		Chapter 5
6.	Module 6: Leasing	1. Types of leasing 2. Benefits of leasing 3. Estimate cash flow in leasing 4. Analysing and making decision on Lease- Purchase 5. Analysing and making decision on Lease payment/charge	13,5	4,5	10		Chapter 21
7.	Module 7: Capital Structure Theories	1. Rationales for studying capital structure 2. Optimal Capital Structure Theory - Optimal capital structure - Factors affecting choice of capital structure 3. Theory of Net operating income net (Noi approach)	18	9	10		Chapter 12

No	Module	Details	Hours				Notes for preparation
			TT	T	E	P	
		4. Overview of M & M theory of capital structure <ul style="list-style-type: none"> - Discuss in more detail about M & M theory - Assumptions and clauses of M & M theory - M & M theory without tax - M & M theory with tax 5. Impact of taxes and cost of financial distress on the 6. company value and cost of capital					
8.	Module 8: Financial Planning for leveraged company	1. Apply the current price index calibrated (APV) 2. Apply the cash flow indicator for the owner (FTE) 3. Apply the expenditure method average capital use fee (WACC) 4. Compare APV, FTE and WACC	13,5	4,5	10		Chapter 18
9.	Module 9: Merger and Acquisitions	1. The basic form of corporation consolidation 2. Added Value in M&A 3. The origin of the Added Value 4. Two aspects of Acquisition/Take over 5. NPV of merger 6. Defensive strategies	13,5	4,5	10		Chapter 29
	TOTAL		135	45	90		

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

5. TEACHING MATERIALS

5.1. Textbooks

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 12, Discussion and exercises
2	Module 2	Chapter 22, 23, Discussion and exercises
3	Module 3	Chapter 24, Discussion and exercises
4	Module 4	Chapter 3, Discussion and exercises
5	Module 5	Chapter 5, Discussion and exercises
6	Module 5 (cont)	Solving case study at class
7	Module 6	Chapter 21, Discussion and exercises
8	Module 7	Chapter 12, Discussion and exercises
9	Module 7 (cont) + Midterm assessment	Chapter 12 (cont.), Discussion and exercises. Midterm review
10	Module 8	Discussion and exercises
11	Module 9	Discussion and exercises

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

(signed)

VÂN THỊ HỒNG LOAN