



Fundamentals of Corporate Finance

Title of the Course : Fundamentals of Corporate Finance

Course Teacher : ZHONG Ninghua (email address: zhongninghua@yeah.net)

The Teacher's Profile and CV:

http://sem-international.tongji.edu.cn/Faculty/faculty_detail.asp?id=394

Language : English

Target Students : Undergraduate Students

Credit: 2

Inside Class Credit Hours : 32

Extracurricular class hours : 64

Prerequisite : It is helpful to learn some Principles of Economics, which is yet not necessary.

Number of students : ≤ 40

Semester : Fall

Class duration: 4 Sep – 4 Nov

Class time: Wednesday, Friday, 10.30 – 11.40

Office Hours: By appointment

1. Course Description

This is an introductory finance course for business major students. The objective of the course is to help students learn the basic concepts and elementary analytical techniques in corporate finance. Topics include time value of money, stocks and bonds valuation, risk/return analysis, portfolio theory, capital budgeting, and capital structure.

2.Textbook, References and Reading Materials

Required Textbook: *Fundamentals of Corporate Finance*, Asia Global Edition, by Ross, Westerfield, Jaffe, Lim, and Tan, McGraw Hill, 2012.

This course will strictly follow the structure of the textbook. So it is necessary to get a book.

The website of the textbook:

http://highered.mcgraw-hill.com/sites/0071088024/information_center_view0/

3.Grading Policy:

1. Class participation: classes in the later part of the course are based on the knowledge introduced in the former part. You cannot participate if you are frequently absent. I will check your participation randomly. Please be on-time for the class and switch off your cell-phone. On the class, you are encouraged to answer questions that are raised. You are also welcome to ask questions during or after the class.
2. Eight on-class quiz (**40%**): After each lecture, you are expected to review the lecture slides and read the corresponding chapter in the textbook. To motivate you to review the lecture regularly, I will hold an on-class quiz after every two lectures. The dates of all quizzes are listed in the following class arrangements. A quiz will be held right at the beginning of the class, so do not be late for the classes. In each quiz, there will be ten multiple choices questions, five from each of the previous two lectures. You will be given ten to fifteen minutes to make the choices. After collecting your answers, I will discuss these questions, which is used as a revision of the previous two lectures.

In order to facilitate the recording process, I will assign each of you a class number. Please write down this number at the right upper corner on the first page of a quiz sheet.

3. After-class exercises: at the end of each lecture slide, some exercise questions are left for you to review the key elements of the lecture. I will provide you the answers later on. Alternatively, in the Appendix of the textbook, there are answers for selected end-of-chapter problems. You can use it and do the exercises listed on it. These exercises will not be checked or graded.
4. Group Presentation (**20%**): 3-4 students should form a group. On Nov. 1, each group needs to submit a report and make a presentation on “What have you learnt from comparing the financial statements of Google and Baidu?” In the first several classes, I will provide you the links of the most recent financial reports of Google and Baidu, and make some elementary studies on them. You are then expected to study the two financial reports much more carefully in the next one-and-a-half month, trying your best to apply what you have learnt from this course. By Nov.1, you need to prepare a report and a set of PPT. The report should be no longer than 10 pages, 1.5 space, 11 font size, with normal page margin. You can use words, tables, graphs, figures to illustrate your points. But they should be within the ten pages. I will not read the materials after page ten. Also, you need to prepare an 8-10 minutes presentation. The report and the presentation will count for 20% of the total grade. I will grade your work based on: 1) to what extent you have applied the knowledge and methods taught at the lecture in this work; 2) whether you have reached a clear conclusion(s) from the analyses; 3) whether you have written the report and present it clearly.
5. Final Exam (**40%**): The course has one closed-book final exam on Nov.4. More details of the exam are provided in the following class arrangements. Please note that you cannot take the final exam early, and there will be no make-up exam for those who miss it. So please do not take this course if you are not able to attend the exam on Nov.4.