Course Objective

The primary objective of Corporate Finance Theory and Strategy is to enhance students’ understanding in the theory and strategy of corporate finance. By involving students in the practical problems, this course helps students link theory with strategy in the decision-making process. These finance decisions discussed in this course include evaluation on competing investment opportunities, asset valuation, risk and return, financing of a firm's operations, dividend policy, capital structure decisions, and valuation of financial instruments.

The course takes off in three directions. The first direction involves familiarization with the basic and advanced topics in corporate finance. This part will be about 1/3 of the class time, and the lecture will handle most of the job in this part.

The second direction involves case analysis and application of the theoretical concepts to real business. This process involves ingenuity, practicality, tolerance of ambiguity, group effort and an ability to innovate and brainstorm. It is taking things as close to reality as possible in a classroom. The students are required to participate fully in this aspect of the course and the success herein lies in a productive exchange of ideas. It goes without saying that an exposure to basic math, statistics and spreadsheet analysis is assumed.

The third direction involves constant reading of the current financial news. You will be asked to present articles in Asian Wall Street Journal, The Economists or Business Week. Those articles not only keep you informed with the current issues, but also force you to think about the linkage between the theory and real world practice.

Textbook

- Principles of Corporate Finance
- Corporate Finance
  - by Ross, Westerfield and Jaffe (RWJ), 9th edition, McGraw Hill
- Intermediate Financial Management: Theory and Practice
  - by Brigham and Ehrhardt, 8ed. Thomson
- Selected Cases
Grading policies

Participation : 20%  (0.5 points per participation)
Midterm and Final : 20%
Presence : 15%  (3 points off per class missing)
News Presentation : 10%  (7% by students, and 3% by professor)
Case Reflection : 20%
Peer Evaluation : 10%
Lecturer adjustment : -5% ~ 5%
Contribution : 5%