**FN-590 Corporate Finance**

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| Resource Person: | Dr. Safia Nosheen |
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| Contact Hours: | 6:30-9:15 |
| Office Address: | Department of Banking and Finance |
| Programme: | MBA (Ev) / Exec. |
| Section: | G |
| Semester: |  Fall 2022 |
| Course Pre-requisites: | Business Finance/ Financial Management |
| Credit Hours: | 3 |
| Course Type: | Core  |
| Venue/Day/Time: |  |
| Course URL (if any): |  |

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| **Course Description:** |
| This course is designed to help students to develop a deeper understanding of the issues and the basic tools needed for corporate manager. The course focuses to develop a solid foundation in managing the issues of raising finances. The intent of the course is to equip students with the concepts to help them to get a strong base of understanding of financial issues and to handle the problems raises during managing the corporate resources. We will use spreadsheet modelling extensively to facilitate our analysis in each topic for the purpose of being efficient. |

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| **Course Teaching Methodology:** |
| LecturesInteractive class Teaching ActivitiesCase studies  |

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| **Programme Educational Objectives (POs): MBA** |
| PO1 | To inculcate reasoning, critical analytical, problem-solving, and decision-making skills. |
| PO2 | To provide real-life work experiences.  |
| PO3 | To provide opportunities to network with employers and entrepreneurs. |
| PO4 | To develop future leaders, managers, and entrepreneurs for the digital and globalized world. |
| PO5 | To develop effective presentation, oral, and written communication skills. |
| PO6 | To expose students to the important social, environmental, economic and ethical issues. |

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| **Programme Learning Outcomes (PLOs): MBA****After completing this degree programme, students shall be able to:** |
|  | **Mapping the PLOs with POs** |
| PLO1 | Critically analyze complex business situations and make appropriate decisions. |  |
| PLO2 | Successfully negotiate with the challenging work demands. |  |
| PLO3 | Apply organizational theories, models, and frameworks to the real-world business situations to solve managerial issues. |  |
| PLO4 | Communicate effectively and efficiently, and deliver professional business presentations. |  |
| PLO5 | Analyze and evaluate market opportunities and develop viable business plans. |  |
| PLO6 | Use digital technologies and data analytics tools to make informed decisions. |  |

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| **Course Learning Outcomes (CLOs):****After completing this course, students shall be able to:** |
|  | **Mapping with PLOs** |
| CLO-1 | Comprehend a complex financial situation and prioritize both areas of analysis and decisions. | PLO1, PLO6 |
| CLO-2 | Apply the frameworks/tools/concepts learned in the corporate Finance course for proper analysis of a financial position and eventual recommendations for solution(s). | PLO3, PLO6 |
| CLO-3 | Based on logical analysis of financial data Present and defend recommendation for a project | PLO5 |
| CLO-4 | Think, feel and behave as a responsible Financial manager | PLO5 |

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| **Assurance of Learning and Assessment Items:***Specify Assessment Items that will assure student learning through application and achieve objectives of specific PLOs / COs / CLOs* |
| **Assessment Item** | **Application/ Objectives****CLO** |
| Class Participation | **CLO1** |
| Assignment | **CLO2** |
| Quizzes | **CLO1, CLO2** |
| Mid Term Exam | **CLO3, CLO4** |
| Final Exam | **CLO3, CLO4** |
| Case Analysis | **CLO4** |

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| **Assessment Structure and Grading Policy\*:** |
| **Assessment Item** | **Weight (%)** | **Execution Plan** |
| Class Participation | 15 | Multiple time |
| Assignment | 15 | 4 Assignments  |
| Analysis of the Case | 15 | Cases studies discussion and written analysis |
| Mid exam | 25 | One-time assessment |
| Final Plan | 30 | One-time assessment |
| **Total**  | **100** |  |
| **Notes – Norms and Important Class Policies:*** **Class Policy**: You are required to be in class at the assigned time. If you arrive more than ten minutes late, you will be marked absent.
* **Email Policy**: You will be responsible if you miss a deadline because you did not read your email. Participants should regularly check their University email account.
* **Class Attendance Policy**: A minimum 80% attendance is required for a participant to be eligible to sit in the final examination. Reporting sick and attending family functions (such as a wedding) will be considered as absent. Participants with less than 80% attendance in a course will be given grade ‘F’ (Fail) and will not be allowed to take the final exam. An ‘F’ grade will negatively impact student’s CGPA.
* **Mobile Policy**: Switch off your mobile phones while in class.
* Withdrawal Policy: Students may withdraw from a course till the end of the 12th week of the semester. In such a case, a grade ‘W’ will be awarded. A ‘W’ grade will not impact student’s CGPA. A student withdrawing after the 12th week will be awarded ‘F’ grade, which will negatively impact CGPA.
* **Harassment Policy**: Sexual or any other form of harassment through physical, verbal or electronic (mobile, email, etc.) means is constituted as punishable offence. Such actions will not be tolerated.
* **Use of Unfair Means/Honesty Policy**: Any participant found using unfair means or assisting another participant during a class test, quiz, assignment, examination, etc. will be liable for strict disciplinary action.
* **Plagiarism Policy**: Plagiarism is defined as the practice of taking someone else's work or ideas and passing them off as one's own. The participants will submit the plagiarism report to the resource person with every assignment, report, project, thesis, etc. A participant who fails to submit the ‘Turnitin’ report will receive ‘F’ grade that will count towards CGPA. If participants attempt to cheat ‘Turnitin,’ they will receive an additional ‘F’ that will count towards their CGPA. Look up the Student Handbook for further information on rules and regulations regarding plagiarism while submitting final report and other documents.
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*\*Rubrics for all assessments (including mid and final exams) will be provided separately to the students.*

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| **Week** | **Topics / Contents** | **Application/Objectives****CLO** |
| 1 | LONG-TERM FINANCIAL PLANNING & GROWTHFinancial planning modelsMini Case: Planning for Growth at S&S Air | CLO1,CLO2 |
| 2 | External financing and growthInternal growth and sustainable growthDeterminants of GrowthMini Case: Fleury, Inc EFN needs in different scenariosAssignment 1 | CLO1,CLO2 |
| 3 | PROJECT CASH FLOWS FOR INVESTMENT DECISIONSProjected Cash FlowsSolving related Problem in the classQuiz 1 | CLO1,CLO2,CLO4 |
| 4 | PROJECT CASH FLOWS FOR INVESTMENT DECISIONSProjected Cash Flows, Investment Cash Flows, Pro Forma Financial Statements, Estimating NPV EstimatesSolving related Problem in the classAssignment 2 | CLO2,CLO3 |
| 5 | PROJECT ANALYSIS AND EVALUATIONScenario and other what-if analysisSolving related Problem in the class**Quiz 2** | CLO2,CLO3, CLO4 |
| 6 | Operating leverage; Capital rationingAccountingSolving related Problem in the classAssignment 3 | CLO2,CLO3 |
| 7 | **Mid Exam** | CLO1,CLO2,CLO3, CLO4 |
| 8 | FINANCIAL LEVERAGE AND CAPITAL STRUCTURE POLICYThe Cost of Capital: Some PreliminariesThe Cost of Equity, The Costs of Debt and Preferred StockCapital structure & Cost of CapitalMini Case: Cost of Capital for Hubbard Computer, IncClass Activity: Related Problem solving in the class | CLO2,CLO3 |
| 9 | The effect of financial leverage; Breakeven EBIT for Financial leverageCORPORATE BORROWING AND HOMEMADE LEVERAGEOptimal capital structure Case StudyHill Country Snack food by W. Carl Kester, Craig Stephenson Harvard Business School | CLO2,CLO3 |
| 10 | Capital Structure and the Cost of Equity CapitalM&M PROPOSITION I: THE PIE MODELTHE COST OF EQUITY AND FINANCIAL LEVERAGE: M&M PROPOSITION IIM&M Propositions I and II with Corporate TaxesBankruptcy CostsOptimal Capital StructureTHE STATIC THEORY OF CAPITAL STRUCTURE**Written case Analysis**H.E. Heinz. Estimating the cost of Capital in uncertain Times Darden Business Publishing, University of Virginia, H.J.Heinz Founder Henry John Heinz | CLO1,CLO2,CLO3 |
| 11 | DIVIDENDS AND DIVIDEND POLICYCash dividend and dividend paymentLow payout and high payout factorsQuiz : 3 | CLO1,CLO2,CLO3 |
| 12 | Establishing a dividend policyStock repurchases, Stock splits **Written Case Analysis**Dividend Policy at FPL group, Inc. Harvard Business School | CLO1,CLO2,CLO3 |
| 13 | Short Term Financing:Tracing Cash and Net Working Capital, The Operating Cycle and the Cash Cycle, CALCULATING THE OPERATING AND CASH CYCLESMini Case: Piepkorn Manufacturing Working Capital Management | CLO1,CLO2 |
| 14 | Some Aspects of Short-Term Financial Policy : THE SIZE OF THE FIRM’S INVESTMENT IN CURRENT ASSETSALTERNATIVE FINANCING POLICIES FOR CURRENT ASSETS , WHICH FINANCING POLICY IS BEST?Short-Term BorrowingQuiz: 4 | CLO1,CLO2 |
| 15 | Revision | CLO1,CLO2,CLO3 |
| 16 | Final Term Examination | CLO1,CLO2,CLO3, CLO4 |

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| **Primary Text Book (s):** |
| * Fundamentals of Corporate Finance by Ross, Westerfield& Jordon (10th Edition)
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| **Reference / Supplementary Reading (s):** |
| 1. Financial Management and Policy by James C. Van Horne2. Principles of Corporate Finance by Brealey, Myers & Allen, Latest Edition.3. Financial Management, Theory and Practices by Brigham &Ehrhard (11th Edition) |

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| **Useful Online / Web Resources:** |
| These are the websites that are helpful. * <https://www.udemy.com/topic/financial-modeling/>
* <https://www.coursera.org>
* <https://corporatefinanceinstitute.com/topic/financial-modeling/>
* [www.hbr.org](http://www.hbr.org)
* [www.forbes.com](http://www.forbes.com)
* [www.mckinsey.com](http://www.mckinsey.com)
* [www.gartner.com](http://www.gartner.com)
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