

NANYANG TECHNOLOGICAL UNIVERSITY
NANYANG BUSINESS SCHOOL

BF3201 Corporate Finance & Strategy

A) Course Aims/Description

The course covers fundamental issues of corporate finance, including corporate governance, capital budgeting, capital structure, distribution policies, and working capital management. The course emphasizes financial practices in the real world. The course expands upon the concepts covered in AB1201 Financial Management. We emphasize using EXCEL to conduct computation. The background knowledge is provided through the textbook and lecture notes. By the end of the course, you should have developed a deeper understanding of how corporate financial managers make decisions in the dynamic corporate world and how these decisions impact firm value and stakeholders.

The course is intended for students who are interested in pursuing a career in strategic financial decision making, including corporate finance, investment banking, private equity, consulting, etc.

B) Intended Learning Outcomes (ILO)/Objectives

By the end of this course, you should be able to:

1. Describe and explain the objective of corporate finance
2. Evaluate the key elements of corporate governance
3. Describe and compare the different risk-return models
4. Analyze and estimate the firm's risk parameters and relate these to the cost of capital
5. Measure the cash flows and investment returns of different projects
6. Evaluate different investment projects using objective investment decision rules
7. Describe the different types of financing available to a firm
8. Analyse the cost and benefits of financing with debt
9. Identify the optimal capital structure
10. Analyse how dividend policy affect firm value
11. Discuss the importance of proper working capital management

C) Course Content

1. The Objective of Corporate Finance
2. Corporate governance
3. The Basics of Risk
4. Measuring Cost of Equity
5. Measuring Cost of Debt and Cost of Capital
6. Measuring Project Cash Flows
7. Investment Decision Rules
8. Other Issues in Capital Budgeting
9. Options Embedded in Projects
10. Overview of the Financing Decision
11. The Optimal Capital Structure
12. Dividend Policy
13. Working Capital Management

D) Assessment (includes both continuous and summative assessment)

Component	Weightage	Team/Individual
1. Final Examination	60%	Individual
2. Group Project	30%	Group
3. Class participation	10%	Individual
Total	100%	

E) Planned Weekly Schedule

Lecture Week starting	Lesson LO
1	The Objective of Corporate Finance Corporate governance
2	<i>Hurdle Rate I</i> The Basics of Risk (Equity) Risk-free Rates and Equity Risk Premiums Guest speaker Calvin Yeo, Executive Director, Head of Sales, Treasury Services Singapore and Greater China, J.P. Morgan
3	<i>Hurdle Rate II</i> All About Beta Putting it all Together: Cost of Equity
4	<i>Hurdle Rate III</i> The Basics of Risk (Debt) Measuring Cost of Debt and Cost of Capital
5	<i>Project CFs and Returns</i> Measuring Project Cash Flows Investment Decision Rules
6	<i>Project CFs and Returns</i> Other Issues in Capital Budgeting Options Embedded in Projects
7	HBS Simulation Case <i>Financing Decisions</i> Overview of the Financing Decision
Recess Week	
8	<i>Financing Decisions</i> The Optimal Capital Structure
9	<i>Financing Decisions</i> The Financing Details
10	Dividend Policy
11	Working Capital Management Case Study