



## National Taiwan University of Science and Technology

### 2021 Winter Program

### BUS 350 Applied Corporate Finance

### Course Outline

**Course Code: BUS 350**

**Instructor: Victor Y. Lian**

**Home Institution: University of Wisconsin**

**Office Hours: TBA and by appointment**

**Email: [victor.lian@hotmail.com](mailto:victor.lian@hotmail.com)**

**Credit: 4**

**Course Description:**

This course applies corporate finance to real companies. It presents the foundations of finance with an emphasis on applications vital for corporate managers. We discuss most of the major financial decisions made by corporate managers both within the firm and in their interactions with investors. Essential in most of these decisions is the process of valuation, which will be emphasized throughout the course.

This course contains six real-world core companies to study and follow. Business decisions are classified for students into three groups: investment, financing, and dividend decisions.

Through case studies, it will also emphasize the way that real-world problems will be delivered to you: fraught with ambiguity and vagueness. You will be able to identify and summarize the problem, figure out, present and defend your solutions.

**Prerequisites:**

The prerequisites for this course are a solid understanding of basic finance and probability/statistics. Completion of the following courses can satisfy such purpose:

BUSI 2504/2505 Business Finance, STAT 2606 Business Statistics and ECON 2009 Managerial Economics, or equivalent courses with a grade of C or higher



## Course Objectives

This course focuses on applying the finance tools learned in basic finance courses such as BUSI 2504/2505 to business decisions. The main objective of the course is to provide the conceptual background for corporate financial analysis from the point of corporate value creation, and develop skills in analyzing corporate behavior in capital markets and the relationship of agent and principal in raising funds, allocating capital, distributing returns.

On successful completion of this course, students will be able to:

- Identify and discuss corporate governance issues affecting corporations.
- Explain the trade-off between risk and return, and compare the perspective of a firm
- Making project decisions to that of outside investors evaluating the firm
- Analyze long-term investment, financing and payout decisions of a corporation and
- Be able to identify and discuss the theory and practice of Cost of capital, Capital structure, and Dividend policy.
- Value a firm using different valuation approaches
- Formulate and logically defend a position in regard to current issues, such as corporate control and governance, which confront corporations today.

### Required Textbooks:

Aswath Damodaran, **Applied Corporate Finance: A User's Manual**, 3rd Edition, Wiley, 2011

Supplementary text: Ivey Publishing Cases (included in the course package)

### Grading & Evaluation:

#### Grading Criteria

Item	Points
Class participation & discussion	100
Weekly quizzes 4@20	80
Mini case study 4@20	80
Mid-term exam	100
Final exam	100
Group project	100
Total	560

#### Grading standard (on the 100 scale)

A+:4.3——95-100

A :4.0——87-94

A-:3.7——82-86

B+:3.3——78-81

B :3.0——75-77



B -:2.7——71-74

C+:2.3——68-70

C :2.0——65-67

C -:1.7——61-64

D :1.0——55-60

E :0.0——49-54

X :0.0——0

### Class Participation & Discussion

During the class hours and TA led discussion, you are expected to actively participate the class and discussion. Your grade will be based on the quality of your discussion and contribution to the whole class.

### Weekly Quizzes

Essay questions and calculations are to be included in the weekly quizzes, to test your knowledge on the related concepts. Your grade will be based on the quality of your works.

### Mini Case Study

A mini case will be assigned in each week, and your analysis will be based on the questions included in the mini case. Your grade of this assignment will be based on the quality of your discussion.

### Mid-term and Final Examinations

Two in-class examinations will happen during the semester. The midterm will consist of material covered up until the date of the exam, and the final is non-cumulative (covering second half of the chapters).

### Group Project

A case will be assigned to each group to work on, detailed instructions will be given once the semester starts. By the end of the program, your group is expected to submit the analysis in the format of PPT slides, with recorded audio explanation inserted in each slide. As a group member, you need to collaborate with your teammates to complete the project. Each student's grade will be based on the group performance and contribution made to the group work, which will be evaluated by the peers.

### **Attendance, Classroom Contribution & Expectation**

Attendance is required for this course. Active participation in class discussion and teamwork assignment is expected. Absence is only excused for justified reasons such as medical conditions. However, students are responsible for providing the evidence if necessary.

The grading of class participation is necessarily a subjective exercise. However, high-quality comments have one or more of the following characteristics: (1) insightfulness,



(2) appropriate application of course concepts, and (3) advancement of the in-class discussion at hand.

Quizzes and exams will be conducted strictly on planned dates and time. No make-up will be offered if you miss a quiz or exam. Not taking an exam will result in an F as the final course grade.

### Academic Integrity

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Students must recognize that failure to follow rules and guidelines may constitute academic misconduct.

Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and/or possession of unauthorized materials during an examination.

Any suspicious academic misconduct in this course will be reported to the administration of the university. If it is determined that you have committed academic misconduct, the sanctions could include a failing grade in this course and suspension or dismissal from the program.

### Email Etiquettes

Communication is one of the most important factors in business world. Your way of communication can greatly impact the success or failure of your business. Through the following guidelines, I hope eventually you'll set up a proper communication style for your future career.

1. All messages should have a concise and descriptive subject line. The purpose of the subject line is to alert the reader as to the content of the message. **Please include your course name or number (BUS 350)** so your question/issue can be addressed more accurately.
2. Close your message with a signature. Be certain that you have included your full name and your course name and/or number, so I can identify which class you are involved in and communicate with you more efficiently.

### Course Policies

Please go over the learning material and complete the assignments prior to the online meeting, and be ready for discussions and exercise.

**Late submission** of assignments is not acceptable, just like turning in your project to the management of the company or your client. **It will automatically lead to points deduction by 10% per day (maximum to 50% deduction).**

Any student with a documented disability needing academic adjustments or accommodations, and any student who anticipates a schedule conflict because of religious reasons should notify the instructor through email within the first week of the program.

### Course Schedule:



### Week1 Topics and Activities

- Introduction: The objective of corporate finance decisions
- Risk measurement and hurdle rates in practice

Weekly quiz

Mini case study

TA led discussion

### Week2 Topics and Activities

- Measuring return on investments;
- Project interactions, side costs, and side benefits

Weekly quiz

Mini case study

TA led discussion

Mid-term exam

### Week3 Topics and Activities

- Capital structure
- Optimal financial mix
- The financing details in capital structure

Weekly quiz

Mini case study

TA led discussion

### Week4 Topics and Activities

- Dividend policy
- Valuation
- Introduction to merger and acquisitions

Weekly quiz

Mini case study

TA led discussion

Final exam

Group project wrapping up