

# Corporate Finance

## Syllabus

### Fall 2008

## What is Corporate Finance?

- ➔ **Corporate Finance** is a specific area of finance dealing with the **financial decisions** corporations make and the tools as well as analyses used to make these decisions. The discipline as a whole may be divided among **long-term** and **short-term** decisions and techniques with the primary goal being the **enhancing of corporate value** by ensuring that **return on capital** exceeds **cost of capital**, without taking excessive **financial risks**.

## Course Objectives

- To give you the capacity to understand the theory and apply the techniques that have been developed in corporate finance in real world situations.
- To give you the big picture of corporate finance so that you can understand how things fit together.

## Textbook Books

- Brealey, R.A., Myers, S.C., and Marcus, A.J., *Fundamentals of Corporate Finance*, 5th edition, 2007, McGraw Hill, 華泰書局代理.
- Brealey, R.A., Myers, S.C., and Allen, F., *Principles of Corporate Finance*, concise edition, 2009, McGraw Hill, 雙葉書局代理.
- Chinese Reference Book : 謝劍平, *財務管理 - 新觀念與本土化*, 四版, 2006, 智勝文化.

## Outline (1st semester)

- ⇒ Chapter 1~3: Introduction and Review
- ⇒ Chapter 4: The Time Value of Money
- ⇒ Chapter 5: Valuing Bonds
- ⇒ Chapter 6: Valuing Stocks
- ⇒ **Midterm Exam**
- ⇒ Chapter 10: Introduction to Risk, Return, and the Opportunity Cost of Capital
- ⇒ Chapter 11: Return, Risk, and Capital Budgeting
- ⇒ Chapter 12: The Weighted-Average Cost of Capital
- ⇒ **Final Exam**

## Outline (2nd semester)

- ⇒ Chapter 7: Net Present Value and Other Investment Criteria
- ⇒ Chapter 9: Project Analysis
- ⇒ Chapter 14: IPOs, & Seasoned Offerings
- ⇒ Chapter 15: Debt Policy (part I)
- ⇒ **Midterm Exam**
- ⇒ Chapter 15: Debt Policy (part II)
- ⇒ Chapter 16: Dividend Policy
- ⇒ Chapter 17: Financial Statement Analysis
- ⇒ Chapter 23: Options
- ⇒ **Final Exam**

## Lecture Notes and Homework

- ⇒ **Lecture Notes and Past Exams** are available on my page in 教學支援平台：  
<http://tsp.ec.tku.edu.tw/mychen>
- ⇒ The **Homework Assignments** of each chapter, which are selected from the **Practice Questions** of the textbook are announced on my page.

## Grading

- ⇒ Final grades will be based on a **Midterm Exam (33%)**, a **Final Exam (33%)**, **Two Quizzes (24%, each 12%)**, **TA Section (10%)**.
- ⇒ **First quiz** is held in the TA section in the week before the midterm exam, and **second quiz** is held in the TA section in the week before the final exam.
- ⇒ **All exam questions are in English**, but you are allowed to answer in Chinese.

## Contact me

- **My office: B941**
- **My email: [mychen@mail.tku.edu.tw](mailto:mychen@mail.tku.edu.tw)**  
**phone: 2621-5656 ext. 3348**
- **Office hours: To be announced**

**Welcome to my office**