



Greenwich University

COURSE OUTLINE

SPRING 2019 Term

- **Course** : **Corporate Finance**
- **Code** : **GFIB 509**

ADMINISTRATIVE INFORMATION

- **Instructor** : **Dr. Kwami H. Quao**
- **Instructor's Email** : **dr.kwami@greenwich.edu.pk**
(Assignments given should be sent to the instructor via email above for marking. After checking they will be returned before the next class.)
- **Class Session** : **March 25, 2019 – July 20, 2019**
- **Class Timings** : **Saturday, 11:30 Am - 02:00 Pm**

A 10-minute break will be given. Any student coming late or returning late after the break will be considered absent for that day.

In case of cancellation / makeup of a class you will be notified through the website of Greenwich and / or through your Greenwich email account.

ATTENDANCE:

100% class attendance is mandatory for the students to enable them to appear in the final examination. However, in case of an emergency / serious illness the students will be eligible to (02) absences during the whole semester.

RULES AND REGULATIONS:

- All mobile phones must remain switched off or kept on silent / vibration mode) for the entire duration of a class. Any breach of this rule will lead to immediate confiscation of the phone, which will only be returned after the semester is over.
- Smoking is strictly prohibited on the entire campus, except the cafeteria.
- No food, drinks, gum or beetle-nut (chalia) are allowed inside the classroom.
- In order to maintain the sanctity and decorum on the University Campus, all male and female students are required to be dressed in a decent and appropriate manner. The University shall take a particularly stern view of any kind of immodest and revealing clothes.
- The Student ID Card must be displayed while attending class.
- Cheating, plagiarism, offensive language and disruptive behavior will be addressed according to policies for academic misconduct mentioned in the Students' Handbook.

COURSE OBJECTIVE:

This course aims to build a working knowledge of corporate finance. The pre-requisites for this course are statistics and accounting. The exposure to corporate finance will help the students in understanding the valuation of companies and consequently develop their decision making ability.

LEARNING OUTCOMES

On completion of the course, students will be able to understand:

1. Functions of business finance and finance manager.
2. The basics of finance theory and its applications to corporate financial decisions.
3. Analysis of financial statements.
4. Tools and techniques of time value of money for investing decisions.
5. Concepts of risk and return for portfolio management.
6. The principles of capital structure.
7. The concept of cost of capital.

TEACHING METHODOLOGY:

- Lectures
- Assignments
- Presentation by students
- Research Paper on Articles Presented at HEC Digital Library
- Case Studies
- Seminar / Workshop
- Report
- Guest Speaker: A professional from the Financial Sector will be invited to share his / her experiences with the students.
- On Line Coursera Course; Corporate Finance (<https://www.coursera.org/courses>)

The students are advised to submit the certificate of online course along with portfolio

PERFORMANCE REQUIREMENTS:

Complying with the course requirements with active class participation and timely submission of assignments.

MATERIAL / RESOURCES:

RECOMMENDED TEXTS:

- i. Corporate Finance – Ross, Westerfield, Jaffe: Mcgraw Hill International Edition

Reference Texts:

- i. Principles of Corporate Finance – Brealey, Myers and Marcus
- ii. Financial Management: Theory and Practice by Engene F.Brigham and Michael C. Erhardt
- iii. Fundamentals of Financial Management by J.C. Van Horne and J.M. Wachowicz (11th Edition)

Compulsory Reading

- * Economic & Business Review (DAWN)
- * Pakistan & Gulf Economist (PAGE)
- * SBP's Monetary Policy Statements

❖ Students are urged to seek assistance from www.hecdigitallibrary.edu.pk for preparation of research papers, assignments and term reports.

- Use the following link for research
 - Bentham Science
 - Blackwell Synergy
 - Ebrary
 - Springerlink
 - Oxford University Press
 - Francis and Taylor
 - SAGE Publication. Online

- Greenwich Research facility Center (GRFC) and computer laboratory III will have all the necessary software (SPSS) and full access to the digital library and internet.

EVALUATION METHODS AND ASSIGNMENTS:

- Quizzes will be given in every class based upon the lesson taught in the previous session. The teacher will mark and return them to the students in the same/next class.
- Students who maintain 100% attendance in a minimum course load of five will be awarded a certificate and his/her name/picture will be placed on the notice board
- Class Assignments will be given regularly.
- Class participation
- Portfolios should be maintained by students of all their assignments, quizzes, /presentation, etc. The portfolios must be submitted to the instructor in the 14th class. The portfolios will be returned to the students prior to the final examination.
- Mid-Term and Final Examination
- Final exams will comprise questions based on the entire syllabus, including the teaching done before the Mid-Term Exam.
- Report:** The students will be assigned, individually, or in groups to write term paper / report based on visit to the corporate entities / markets and discussions with professionals and practitioners. All such visits will be undertaken through official transmittal letters to be issued by the University on the request of students and / or faculty.

GRADING:

*	Case Analysis	10%
*	Quizzes.....	10%
*	Assignment.....	05%
*	Class Participation.....	05%
*	Mid-term Examination.....	30%
*	Final Examination	40%

- Portfolios should be maintained by students of all their assignments, quizzes, /presentation, etc. The portfolios must be submitted to the instructor in the 12th class. The portfolios will returned to the students prior to the final examination.

COURSE CONTENTS

Week 01	LONG-TERM FINANCIAL PLANNING & GROWTH <input type="checkbox"/> Financial planning models <input type="checkbox"/> External financing and growth <input type="checkbox"/> Internal growth and sustainable growth
Week 02	PROJECT CASH FLOWS FOR INVESTMENT DECISIONS <input type="checkbox"/> Projected Cash Flows <input type="checkbox"/> Investment Cash Flows <input type="checkbox"/> Pro Forma financial Statements <input type="checkbox"/> Estimating NPV Estimates
Week 03	PROJECT CASH FLOWS FOR INVESTMENT DECISIONS EVALUATION (Continued) <input type="checkbox"/> Projected Cash Flows <input type="checkbox"/> Investment Cash Flows <input type="checkbox"/> Pro Forma financial Statements <input type="checkbox"/> Estimating NPV Estimates
Week 04	PROJECT ANALYSIS AND EVALUATION <input type="checkbox"/> Scenario and other what-if analysis <input type="checkbox"/> Operating leverage
Week 05	PROJECT ANALYSIS AND EVALUATION (Continued) <input type="checkbox"/> Capital rationing <input type="checkbox"/> Accounting vs. Financial Break-Even
Week 06	RAISING CAPITAL <input type="checkbox"/> Early stage financing & venture capital, Underwriters <input type="checkbox"/> IPO's and Under pricing <input type="checkbox"/> Costs of issuing securities <input type="checkbox"/> Rights, Dilution

Week 07	RAISING CAPITAL (Continued) <input type="checkbox"/> Issuing Long Term Debt <input type="checkbox"/> Securitization (bundling-unbundling) <input type="checkbox"/> Mutual funds management
Week 08	MID-TERM EXAMINATION
Week 09	FINANCIAL LEVERAGE AND CAPITAL STRUCTURE POLICY <input type="checkbox"/> Capital structure & Cost of Capital <input type="checkbox"/> The effect of financial leverage
Week 10	FINANCIAL LEVERAGE AND CAPITAL STRUCTURE POLICY (Continued) <input type="checkbox"/> Optimal capital structure
Week 11	DIVIDENDS AND DIVIDEND POLICY <input type="checkbox"/> Cash dividend and dividend payment <input type="checkbox"/> Low payout and high payout factors <input type="checkbox"/> Establishing a dividend policy <input type="checkbox"/> Stock repurchase, Stock splits
Week 12	SHORT TERM FINANCE AND PLANNING <input type="checkbox"/> Operating and Cash Cycle <input type="checkbox"/> Alternative Financing Policies for current assets <input type="checkbox"/> Short Term Borrowing <input type="checkbox"/> Cash and Liquidity Management <input type="checkbox"/> Float Management
Week 13	SHORT TERM FINANCE AND PLANNING (Continued) <input type="checkbox"/> Cash Collection and Disbursements <input type="checkbox"/> Target Cash Balance <input type="checkbox"/> Credit and Inventory <input type="checkbox"/> Credit and Receivables <input type="checkbox"/> Factorization
Week 14	HYBRID FINANCING: LEASING <input type="checkbox"/> What is Lease, Why Lease? <input type="checkbox"/> Financial & Operating Lease <input type="checkbox"/> Valuing Financial Lease <input type="checkbox"/> Leasing Versus Purchasing Decision
Week 15	HYBRID FINANCING: LEASING (Continued) <input type="checkbox"/> What is Lease, Why Lease? <input type="checkbox"/> Financial & Operating Lease <input type="checkbox"/> Valuing Financial Lease <input type="checkbox"/> Leasing Versus Purchasing Decision
Week 16	FINAL EXAMINATION

-----*For Office Use Only*-----

Dean: : _____ Date: ____ / ____ / 2019

Head of Department: : _____ Date: ____ / ____ / 2019

Faculty Member: : _____ Date: ____ / ____ / 2019

Uploaded on the website by: _____ Date: ____ / ____ / 2019