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COURSE MANUAL



# E10 Corporate Finance

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# About this Course Manual

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## How this course manual is structured

### The course overview

The course overview gives you a general introduction to the course. Information contained in the course overview will help you determine:

- If the course is suitable for you
- What you will already need to know
- What you can expect from the course
- How much time you will need to invest to complete the course.

The overview also provides guidance on:

- Study skills
- Where to get help
- Course assignments and assessments
- Activity icons
- Modules.

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We strongly recommend that you read the overview *carefully* before starting your study.

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### The course content

This course consists of **seven** modules. Each module comprises:

- An introduction to the module content
- Module outcomes
- New terminology
- Core content of the module with a variety of learning activities
- A module summary
- Assignments and/or assessments, as applicable.

### Resources

For those interested in learning more on this subject, we provide you with a list of additional resources at the end of this course manual; these may be books, articles or websites.



## Your comments

After completing Corporate Finance we would appreciate it if you would take a few moments to give us your feedback on any aspect of this course. Your feedback might include comments on:

- Course content and structure.
- Course reading materials and resources.
- Course assignments.
- Course assessments.
- Course duration.
- Course support (assigned tutors, technical help, etc.)

Your constructive feedback will help us to improve and enhance this course.

## Course overview

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### Welcome to Corporate Finance

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This course provides a fundamental understanding of why it is essential for companies to ensure optimal corporate financial decisions are made, and how optimal strategies that create or protect value and reduce risk for their shareholders can be produced. It contends that sound financial decisions are made in terms of:

1. Financing decision
2. Investment decision.

The course will explore the nature of sound financial decision-making strategies and management. The course covers a wide-range of topics such as ratio analysis, leasing, derivatives, risks, mergers and acquisitions, and international financial management. The key approach of this course will be based on a combination of theory and practice in each topic.

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### Corporate Finance: is this course for you?

This course is intended for any person or MPA/MBA students who are inspired to take a serious interest in corporate finance and to participate enthusiastically in financial decision-making process in their workplace or equivalent.

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## Course outcomes

Upon completion of Corporate Finance you will be able to:



### Outcomes

- *describe* modern principles of corporate finance.
- *discuss* the role, scope, and functions of corporate finance in dealing with financial challenges facing a company.
- *apply* ratio analysis, Horizontal analysis, and Vertical analysis in evaluating business performance.
- *construct* a financial model that can be used for predicting corporate funding requirements.
- *discuss* the appropriateness and implications of using leasing as a source of financing.
- *estimate* the value of derivatives instruments.
- *explain* why organisations and investors seek derivatives products.
- *differentiate* and *describe* the various types of risks and risk management techniques.
- *assess* the reasons behind mergers and acquisitions and their interest implications.
- *describe* the fundamental theories of international financial management.
- *describe* the various risks involved in international trade.

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## Timeframe



### How long?

The expected duration of the course is 120 hours of study time.

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## Study skills



### Study skills

As an adult learner your approach to learning will be different to that from your school days: you will choose what you want to study, you will have professional and/or personal motivation for doing so and you will most likely be fitting your study activities around other professional or domestic responsibilities.

Essentially you will be taking control of your learning environment. As a consequence, you will need to consider performance issues related to time management, goal-setting, stress management, etc. Perhaps you will also need to reacquaint yourself in areas such as essay planning, coping with exams and using the Web as a learning resource.

Your most significant considerations will be time and space – the time you dedicate to your learning and the environment in which you engage in that learning.

We recommend that you take time now—before starting your self-study—to familiarise yourself with these issues. There are a number of excellent resources on the Web. A few suggested links are:

- <http://www.how-to-study.com/>

The “How to study” website is dedicated to study skills resources. You will find links to study preparation (a list of nine essentials for a good study place), taking notes, strategies for reading text books, using reference sources, test anxiety.

- <http://www.ucc.vt.edu/stdysk/stdyhlp.html>

This is the website of the Virginia Tech, Division of Student Affairs. You will find links to time scheduling (including a “where does time go?” link), a study skill checklist, basic concentration techniques, control of the study environment, note taking, how to read essays for analysis, memory skills (“remembering”).

- <http://www.howtostudy.org/resources.php>

Another “How to study” website with useful links to time management, efficient reading, questioning/listening/observing skills, getting the most out of doing (“hands-on” learning), memory building, tips for staying motivated, developing a learning plan.

The above links are our suggestions to start you on your way. At the time of writing these Web links were active. If you want to look for more go to [www.google.com](http://www.google.com) and type “self-study basics”, “self-study tips”, “self-study skills” or similar.

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## Need help?



### Help

Is there a course website address?

What is the course instructor's name? Where can s/he be located (office location and hours, telephone/fax number, e-mail address)?

Is there a teaching assistant for routine enquiries? Where can s/he be located (office location and hours, telephone/fax number, e-mail address)?

Is there a librarian/research assistant available? Where can s/he be located (office location and hours, telephone/fax number, e-mail address)?

Is there a learners' resource centre? Where is it located? What are the opening hours, telephone number, who is the resource centre manager, what is the manager's e-mail address)?

Who do learners contact for technical issues (computer problems, website access, etc.)

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# Assignments



## Assignments

There are two assignments in this course.

Students are required to submit two assignments.

Students should submit their assignments to the assigned instructor/lecturer for the course.

Assignment 1 is due at the end of Module 2; assignment 2 is due at the end of Module 6. The assignments must be completed in the order in which they are set.

### Assignment 1

Due date: XX/XX/XXXX

Value: 25 per cent

Format: Case study analysis #1

Modules covered: Module 1–3

Answer the questions within the case study analysis.

### Assignment 2

Due date: XX/XX/XXXX

Value: 25 per cent

Format: Case study analysis #2

Modules covered: Module 4–6

Answer the questions within the case study analysis.



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## Assessments



### Assessments

#### Final Examination

##### Part A

Value: 40 per cent

Format: Case study analysis #3

Modules covered: 1-7

Answer the questions within the case study analysis.

##### Part B

Value: 60 per cent

Format: short-answer questions

Modules covered: 1-7

The exam will comprise three questions, of which two must be answered. Each question will be marked out of 30 per cent. The value of this exam is 50 per cent of your final grade.












# Getting around this course manual

## Margin icons

While working through this course manual you will notice the frequent use of margin icons. These serve to “signpost” a particular piece of text, a new task or change in activity; they have been included to help you to find your way around this course manual.

A complete icon set is shown below. We suggest that you familiarise yourself with the icons and their meaning before starting your study.

			
Activity	Assessment	Assignment	Case study
			
Discussion	Group activity	Help	Note it!
			
Outcomes	Reading	Reflection	Study skills
			
Summary	Terminology	Time	Tip