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## LESSON PLAN

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**Date/ Revision** 12 July 2016  
**Faculty** Business & Social Science  
**Approval** Dr. Samuel Prasetya

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**SUBJECT : CORPORATE FINANCE**

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### 1. Identification of Subject:

Name of Subject : Corporate Finance  
Code of Subject : FINA-2000  
SKS / ECTS : 4/3  
Semester : 3  
Study Program : MGT/IBA  
Lecturer : Dr. Satiri, MM, MBA

### 2. Competency

After having the course, students are expected to:

- a) Develop in three critical areas: knowledge, skills, and attributes of character.
- b) Be able to describe the conceptual and computational building blocks of finance that are necessary foundation for professional competence.
- c) Participate in case studies, placing the students in the position of the decision-maker, promotes confidence and competence in making decisions.
- d) Be able to build work ethic and persistence; empathy for classmates and decision makers; social awareness of the consequences of decisions and the challenging context for decision makers; and accountability for one's work.

### 3. Description of Subject:

The main topics to be covered are:

- Analysis of financial statements
- Time value of money, interest rates
- Bond and their valuation
- Risk and rates of return
- Stock and their valuation
- The cost of capital
- The basic of capital budgeting
- Cash flow estimation and risk analysis
- Capital structure and leverage
- Distribution to shareholders: dividends and share repurchase
- Working capital management

- Derivatives and risk management
- Multinational financial management
- Hybrid financing: preferred stock, leasing, warrants, and convertible
- Mergers and acquisitions

#### 4. Learning Approach

Approach	: Combination of Expository - inquiry and collaborative
Method	: Discussion, question answer, sample problem
Student Task	: Problem Solving, Quiz
Media	: LCD projector, Black/White Board

#### 5. Evaluation

a) Absence maximum	: 25%
b) Participation in discussion	: 10 points
c) Problem Solving	: 10 points
d) Daily Quiz	: 20 points
e) Final Examination	: 60 points
<b>Total</b>	<b>: 100 points</b>

#### 6. Book Reference:

- Main Textbook (I) : Brigham, Eugene, Joel F. Houston, Hsu Jun-Ming, Kong Yoon Kee, and A. N. Bany-Arifin (2014), *Essentials of Financial Management*, 3<sup>rd</sup> Edition, Cengage Learning Asia Pte, Ltd, Singapore. ISBN # 978-981-4441-37-7
- Main Textbook (II): Bruner, Robert F., Eades, Kenneth M., and Schill, Michael J. (2014), *Case Studies in Finance*, 7<sup>th</sup> Edition, McGraw-Hill, Irwin. ISBN#978-1-259-07094-5
- Additional Reference:  
Hand-outs & Journal articles

#### 7. Detail of Lecturing Activities (LESSON PLAN):

<b>WEEK</b>	<b>: 1</b>
Duration	: 4 x 50 minutes
Topic	: Introduction session & analysis of financial statements
Sub-Topic	: Forms of business organization Main financial goal

Stockholder-manager conflicts  
 Business ethics  
 Liquidity ratio  
 Asset and debt management ratio  
 Profitability ratio  
 Market value ratio  
 DuPont equation  
 Using financial ratio to assess performance  
 Case: The financial detective, 2005

**Learning Outcomes of Lesson:**

**After studying this chapter the students should be able to do the following:**

- Explain what ratio analysis is.
- List the five groups of ratio and identify, calculate, and interpret the key ratios in each group.
- Discuss each ratio’s relationship to the balance sheet and income statement.
- Discuss why ROE is the key ratio under management’s control, how other ratios impact ROE, and explain how to use the DuPont equation for improving ROE.
- Compare a firm’s ratios with those of other firms (benchmarking) and analyze a given firm’s ratio over time (trend analysis).
- Discuss the tendency of ratios to fluctuate over time (which may or may not be problematic), explain how they can be influenced by accounting practices as well as other factors, and why they must be used with care.

**DETAIL OF LECTURING ACTIVITY**

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>• Introduce the course objective, regulation and policy</li> <li>• Introduce the case studies</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>• Forms of business organization</li> <li>• Main financial goal</li> <li>• Stockholder-manager conflicts</li> <li>• Business ethics</li> <li>• Liquidity ratio</li> <li>• Asset and debt management ratio</li> </ul>	<ul style="list-style-type: none"> <li>• Listening into the Lecturer</li> <li>• Read the Text Book</li> <li>• Solve the case</li> <li>• Surf the web</li> </ul>	Beamer/ LCD Black / White Board Students Laptop,

	<ul style="list-style-type: none"> <li>• Profitability ratio</li> <li>• Market value ratio</li> <li>• DuPont equation</li> <li>• Using financial ratio to assess performance</li> <li>• Case: The financial detective, 2005</li> </ul>		
Closing	<ul style="list-style-type: none"> <li>• Inform the student the next 2<sup>nd</sup> meeting material</li> <li>• give assessment / homework to the students</li> </ul>	<ul style="list-style-type: none"> <li>• Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>• evaluate the students activity during the lesson</li> <li>• evaluate and observe, how the students solve the case problem</li> </ul>		
Reference	Ch. 1, Ch. 4 (I) & Ch. 7 (II)		

**WEEK : 2**

Duration : 4 x 50 minutes

Topic : Risk and rates of return & financial planning and forecasting

Sub-Topic : The risk-return trade-off

Stand-alone risk

Risk in a portfolio context: The CAPM

The relationship between risk and rates of return

Strategic planning

The sales forecast

Forecasted financial statement

Using the yield curve to estimate future interest rate

Case: The boeing 7E7 & Value line publishing: October 2002

### Learning Outcomes of Lesson:

### After studying this chapter the students should be able to do the following:

- Explain the difference between stand-alone risk and risk in portfolio context.
- Describe how risk aversion affects a stock's required rate of return.
- Discuss the difference between diversifiable risk and market risk, and explain how each type of risk affects well-diversified investors.

- Describe what the CAPM is and illustrate how it can be used to estimate a stock's required rate of return.
- Discuss the importance of strategic planning and the central role that financial forecasting plays in the overall planning process.
- Explain how firm forecast sales.
- Use the Additional Funds Needed (AFN) and discuss the relationship between asset growth and the need for funds.
- Discuss how planning is an iterative process.

#### DETAIL OF LECTURING ACTIVITY

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>• Introduce the Chapter's objectives</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>• The risk-return trade-off</li> <li>• Stand-alone risk</li> <li>• Risk in a portfolio context: The CAPM</li> <li>• The relationship between risk and rates of return</li> <li>• Strategic planning</li> <li>• The sales forecast</li> <li>• Forecasted financial statement</li> <li>• Using the yield curve to estimate future interest rate</li> <li>• Case: The boeing 7E7 &amp; Value line publishing: October 2002</li> </ul>	<ul style="list-style-type: none"> <li>• Listening into the Lecturer</li> <li>• Solve the case</li> </ul>	Beamer/ LCD Black / White Board Students Laptop
Closing	<ul style="list-style-type: none"> <li>• Inform the student the next 3<sup>rd</sup> meeting material</li> <li>• give assessment / homework to the students</li> </ul>	<ul style="list-style-type: none"> <li>• Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>• evaluate the students activity during the lesson</li> <li>• evaluate and observe, how the students solve the problem</li> </ul>		

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Reference	Ch. 8, Ch. 6 (I) & Ch. 17 (II)		

**WEEK** : 3  
**Duration** : 4 x 50 minutes  
**Topic** : Time value of money  
**Sub-Topic** : Future values  
 Present values  
 Finding interest rate and number of years  
 Annuities: ordinary annuities and annuity due  
 Perpetuities  
 Case: Nike, Inc.: cost of capital

**Learning Outcomes of Lesson:**

**After studying this chapter the students should be able to do the following:**

- Explain how the time value of money works and discuss why it is such an important concept in finance.
- Calculate the present value and future value of lump sums.
- Identify the different types of annuities, calculate the present value and future value of both an ordinary annuity and an annuity due, and calculate the relevant annuity payments.
- Calculate the present value and future value of an uneven cash flow stream.
- Explain the difference between nominal, periodic, and effective interest rates.
- Discuss the basic of loan amortization and develop a loan amortization schedule that might be used when considering an auto loan or home mortgage loan.

**DETAIL OF LECTURING ACTIVITY**

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>Introduce the Chapter's objectives;</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>Future values</li> <li>Present values</li> <li>Finding interest rate and number of years</li> <li>Annuities: ordinary annuities and annuity due</li> <li>Perpetuities</li> <li>Case: Nike, Inc.: cost of capital</li> </ul>	<ul style="list-style-type: none"> <li>Listening into the Lecturer</li> <li>Surf the internet</li> <li>Solve the case</li> </ul>	Beamer/ LCD Black / White Board  Students Laptop
Closing	<ul style="list-style-type: none"> <li>Inform the student the next 4<sup>th</sup> meeting material</li> <li>give assessment / homework to the students</li> </ul>	<ul style="list-style-type: none"> <li>Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>evaluate the students activity during the lesson</li> <li>evaluate and observe, how the students solve the problem</li> </ul>		
Reference	Ch. 5 (I) & Ch. 15 (II)		

**WEEK** : 4  
**Duration** : 4 x 50 minutes  
**Topic** : Bond and their valuation  
**Sub-Topic** : Key characteristic of bonds  
 Bond valuation  
 Bond yields  
 Changes in bond values over time  
 Bonds with semi-annual coupons  
 Assessing a bond's riskiness  
 Bond markets  
 Case: Worldwide paper company

**Learning Outcomes of Lesson:**

**After studying this chapter the students should be able to do the following:**

- Identify the different features of corporate and government bonds.
- Discuss how bond prices are determined in the market, what relationship is between interest rates and bond prices, and how a bond's price changes over time as it approaches maturity.
- Calculate a bond's yield to maturity, its yields to call if it is callable, and determine the "true" yield.
- Explain the different types of risk that bond investors and issuers face, and discuss how a bond's terms and collateral can be changed to affect its interest rate.

#### DETAIL OF LECTURING ACTIVITY

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>• Introduce the Chapter's objectives</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>• Key characteristic of bonds</li> <li>• Bond valuation</li> <li>• Bond yields</li> <li>• Changes in bond values over time</li> <li>• Bonds with semi-annual coupons</li> <li>• Assessing a bond's riskiness</li> <li>• Bond markets</li> <li>• Case: Worldwide paper company</li> </ul>	<ul style="list-style-type: none"> <li>• Listening into the Lecturer</li> <li>• Read the Text Book</li> <li>• Solve the case</li> </ul>	Beamer/ LCD Black / White Board  Students Laptop
Closing	<ul style="list-style-type: none"> <li>• Inform the student the next 5<sup>th</sup> meeting material</li> <li>• give assessment / homework to the students</li> </ul>	<ul style="list-style-type: none"> <li>• Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>• evaluate the students activity during the lesson</li> <li>• evaluate and observe, how the students solve the problem</li> </ul>		
Reference	Ch. 9 (I) & Ch. 19 (II)		



WEEK : 5  
 Duration : 4 x 50 minutes  
 Topic : Stock and their valuation  
 Sub-Topic : Type of stock  
 Discounted dividend model  
 Stock price and intrinsic value  
 Enterprise-based approach valuation  
 Case: American greetings

**Learning Outcomes of Lesson:**

**After studying this chapter the students should be able to do the following:**

- Discuss the legal rights of stockholders.
- Explain the distinction between a stock’s price and its intrinsic value.
- Identify the two models that can be used to estimate a stock’s intrinsic value: the discounted dividend model and the corporate valuation model.
- List the key characteristics of preferred stock, and describe how to estimate the value of preferred stock.

**DETAIL OF LECTURING ACTIVITY**

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>• Introduce the Chapter’s objectives</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>• Type of stock</li> <li>• Discounted dividend model</li> <li>• Stock price and intrinsic value</li> <li>• Enterprise-based approach valuation</li> <li>• Case: American greetings</li> </ul>	<ul style="list-style-type: none"> <li>• Listening into the Lecturer</li> <li>• Read the Text Book</li> <li>• Solve the case</li> </ul>	Beamer/ LCD Black / White Board  Students Laptop
Closing	<ul style="list-style-type: none"> <li>• Inform the student the next 6<sup>th</sup> meeting material</li> <li>• give assessment / homework to the students</li> </ul>	<ul style="list-style-type: none"> <li>• Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>• evaluate the students activity</li> </ul>		

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
	during the lesson <ul style="list-style-type: none"> <li>evaluate and observe, how the students solve the problem</li> </ul>		
Reference	Ch. 10 (I) & Ch. 43 (II)		

**WEEK** : 6  
**Duration** : 4 x 50 minutes  
**Topic** : The basic of capital budgeting & Cash flow estimation and risk analysis  
**Sub-Topic** : Annuities  
                   Amortization of Loans  
                   Perpetuities

**Learning Outcomes of Lesson:**

**After studying this chapter the students should be able to do the following:**

- Discuss capital budgeting
- Calculate and use the major capital budgeting decision criteria, which are NPV, IRR, MIRR, and payback.
- Explain why NPV is the best criterion and how it overcomes problems inherent in the other methods.
- Identify “relevant” cash flows that should and should not be included in a capital budgeting analysis.
- Estimate a project’s relevant cash flows and put them into a time line format that can be used to calculate a project’s NPV, IRR, and other capital budgeting metrics.
- Explain how risk is measured, and use this measure to adjust the firm’s WACC to account for differential project riskiness.
- Correctly calculate the NPV of mutually exclusive projects that have unequal lives.

**DETAIL OF LECTURING ACTIVITY**

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>Introduce the Chapter's objectives</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>Net present value</li> <li>Internal rate of return</li> <li>Reinvestment rate assumption</li> <li>Payback period</li> <li>Decision criteria used in practice</li> <li>Conceptual issues in cash flow estimation</li> <li>Analysis of expansion project</li> <li>Replacement analysis</li> <li>Risk analysis in capital budgeting</li> <li>Measuring stand-alone risk</li> <li>Case: Victoria chemicals plc (B): the merseyside and rotterdam projects</li> </ul>	<ul style="list-style-type: none"> <li>Listening into the Lecturer</li> <li>Read the Text Book</li> <li>Solve the case</li> </ul>	Beamer/ LCD  Black / White Board  Students Laptop
Closing	<ul style="list-style-type: none"> <li>Inform the student the next 7<sup>th</sup> meeting material</li> <li>give assessment / homework to the students</li> </ul>	<ul style="list-style-type: none"> <li>Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>evaluate the students activity during the lesson</li> <li>evaluate and observe, how the students solve the problem</li> </ul>		
Reference	Ch. 12, Ch. 13 (I) & Ch. 24 (II)		

**WEEK** : 7  
**Duration** : 4 x 50 minutes  
**Topic** : Evaluation  
**Sub-Topic** : Evaluation

**Learning Outcomes of Lesson:**

After studying this chapter the students should be able to do the following:

- Show how to apply some financial management methods in reality.

#### DETAIL OF LECTURING ACTIVITY

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>• Introduce the objective of evaluation;</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>• Evaluate and take score for the evaluation based on:               <ol style="list-style-type: none"> <li>1. Problems;</li> <li>2. Formula used;</li> <li>3. Speed</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Presenting their topic in front of the class;</li> </ul>	Beamer/ LCD  Black / White Board  Students Laptop
Closing	<ul style="list-style-type: none"> <li>• Inform the student the next 8<sup>th</sup> meeting material</li> <li>• give assessment / homework to the students</li> </ul>	<ul style="list-style-type: none"> <li>• Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>• evaluate the students activity during the evaluation;</li> <li>• evaluate and observe, how the students raise questions.</li> </ul>		
Reference	All the materials from week #1 to week #6		

**Week : 8 (Semester break)**

**WEEK : 9**

Duration : 4 x 50 minutes

Topic : The cost of capital & Capital structure and leverage

Sub-Topic : Weighted average cost of capital

Cost of debt

Cost of preferred stock

Cost of retained earnings  
 Cost of new common stock  
 Book, market or target weights  
 Business and financial risk  
 Determining the optimal capital structure  
 Capital structure theory  
 Case: Roche holdings AG: funding the Gnentech acquisition

**Learning Outcomes of Lesson:**

**After studying this chapter the students should be able to do the following:**

- Explain why weighted average cost of capital (WACC) is used in capital budgeting.
- Estimate the costs of different capital components—debt, preferred stock, retained earnings, and common stock.
- Combine the different component costs to determine the firm’s WACC.
- Explain why there may be differences in a firm’s capital structure when measured on a book-value basis, a market-value basis, or a target basis.
- Distinguish between business risk and financial risk, and explain the effects that debt financing has on the firm’s expected return and risk.
- Discuss capital structure theory, and use it to explain why firms in different industries tend to have different capital structures.

**DETAIL OF LECTURING ACTIVITY**

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>• Introduce the Chapter’s objectives</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>• Weighted average cost of capital</li> <li>• Cost of debt</li> <li>• Cost of preferred stock</li> <li>• Cost of retained earnings</li> <li>• Cost of new common stock</li> <li>• Book, market or target weights</li> <li>• Business and financial risk</li> <li>• Determining the optimal capital</li> </ul>	<ul style="list-style-type: none"> <li>• Listening into the Lecturer</li> <li>• Read the Text Book</li> <li>• Solve the case</li> </ul>	Beamer/ LCD Black / White Board  Students Laptop

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
	structure <ul style="list-style-type: none"> <li>Capital structure theory</li> <li>Case: Roche holdings AG: funding the Gnentech acquisition</li> </ul>		
Closing	<ul style="list-style-type: none"> <li>Inform the student the next 10<sup>th</sup> meeting material</li> <li>give assessment / homework to the students</li> </ul>	<ul style="list-style-type: none"> <li>Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>evaluate the students activity during the lesson</li> <li>evaluate and observe, how the students solve the problem</li> </ul>		
Reference	Ch. 11, Ch. 15 (I) & Ch. 14 (II)		

**WEEK** : 10

Duration : 4 x 50 minutes

Topic : Distribution to shareholders: dividends and share repurchases & Working capital management

Sub-Topic : Dividend versus capital gains  
Establishing the dividend policy in practice  
Current asset financing policies  
Cash budget  
Inventories  
Accounts receivable  
Account payable  
Case: Auto zone, Inc.

**Learning Outcomes of Lesson:**

**After studying this chapter the students should be able to do the following:**

- Explain why some investors like the firm to pay more dividends while other investors prefer reinvestment and the resulting capital gains.
- Discuss the various trade-offs that companies face when trying to establish their optimal dividend policy.

- Differentiate between stock splits and stock dividends.
- List the advantages and disadvantages of stock repurchases vis-à-vis dividends from both investors' and companies' perspectives.
- Explain how different amounts of current assets and current liabilities affect firms' profitability and thus their stock prices.
- Discuss how the cash conversion cycle is determined, how the cash budget is constructed, and how each is used in working capital management.
- Explain how companies decide on the proper amount of each current asset—cash, marketable securities, account receivable, and inventory.
- Discuss how companies set their credit policies, and explain the effect of credit policy on sales and profits.
- Describe how the costs of trade credit, bank loans, and commercial paper are determined, and how that information impacts decisions for financing working capital.
- Explain how companies use security to lower their costs of short-term credit.

#### DETAIL OF LECTURING ACTIVITY

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>• Introduce the Chapter's objectives</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>• Dividend versus capital gains</li> <li>• Establishing the dividend policy in practice</li> <li>• Current asset financing policies</li> <li>• Cash budget</li> <li>• Inventories</li> <li>• Accounts receivable</li> <li>• Account payable</li> <li>• Case: Auto zone, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Listening into the Lecturer</li> <li>• Read the Text Book</li> <li>• Solve the case</li> </ul>	Beamer/ LCD  Black / White Board   Students Laptop
Closing	<ul style="list-style-type: none"> <li>• Inform the student the next 11<sup>th</sup> meeting material</li> <li>• give assessment / homework to the students</li> </ul>	<ul style="list-style-type: none"> <li>• Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>• evaluate the students activity</li> </ul>		

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
	during the lesson <ul style="list-style-type: none"> <li>evaluate and observe, how the students solve the problem</li> </ul>		
Reference	Ch. 16, Ch. 17 (I) & Ch. 30 (II)		

**WEEK** : **11**  
**Duration** : 4 x 50 minutes  
**Topic** : Derivatives and risk management  
**Sub-Topic** : Reasons to manage risk  
 Background on derivatives  
 Options  
 Forward and Futures contracts  
 Other types of derivatives  
 Using derivatives to reduce risk  
 Risk management  
 Case: Carrefour S.A.

**Learning Outcomes of Lesson:**

**After studying this chapter the students should be able to do the following:**

- Identify the circumstances in which it makes senses for companies to manage risk.
- Describe the various types of derivatives and explain how they can be used to manage risk.
- Value options using the Binomial and Black-Scholes Option Pricing Models.
- Discuss the various elements of risk management and the different processes that firms use to manage risks.

**DETAIL OF LECTURING ACTIVITY**

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks



Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>Introduce the Chapter 'objectives</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>Reasons to manage risk</li> <li>Background on derivatives</li> <li>Options</li> <li>Forward and Futures contracts</li> <li>Other types of derivatives</li> <li>Using derivatives to reduce risk</li> <li>Risk management</li> <li>Case: Carrefour S.A.</li> </ul>	<ul style="list-style-type: none"> <li>Listening into the Lecturer</li> <li>Read the Text Book</li> <li>Solve the case</li> </ul>	Beamer/ LCD Black / White Board  Students Laptop
Closing	<ul style="list-style-type: none"> <li>Inform the student the next 12<sup>th</sup> meeting material</li> <li>give assessment / homework to the students</li> </ul>	<ul style="list-style-type: none"> <li>Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>evaluate the students activity during the lesson</li> <li>evaluate and observe, how the students solve the problem</li> </ul>		
Reference	Ch. 18 (I) & Ch. 37 (II)		

**WEEK** : 12  
**Duration** : 4 x 50 minutes  
**Topic** : Multinational financial management  
**Sub-Topic** : Multinational, or global, corporations  
 Multinational versus domestic financial management  
 The international monetary system  
 Inflation, interest rates, and exchange rates  
 International money and capital markets  
 International capital budgeting  
 Case: Target corporation

**Learning Outcomes of Lesson:**

**After studying this chapter the students should be able to do the following:**

- Identify the primary reasons companies choose to go “global”.
- Explain how exchange rates work and interpret different exchange rate quotations.
- Discuss the intuition behind interest rate parity and purchasing power parity.
- Explain the different opportunities and risks that investors face when they invest overseas.
- Identify some specific challenges that a multinational corporation faces and discuss how they influence its capital budgeting, capital structure, and working capital policies.

#### DETAIL OF LECTURING ACTIVITY

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>• Introduce the Chapter’s objectives</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>• Multinational, or global, corporations</li> <li>• Multinational versus domestic financial management</li> <li>• The international monetary system</li> <li>• Inflation, interest rates, and exchange rates</li> <li>• International money and capital markets</li> <li>• International capital budgeting</li> <li>• Case: Target corporation</li> </ul>	<ul style="list-style-type: none"> <li>• Listening into the Lecturer</li> <li>• Read the Text Book</li> <li>• Solve the case</li> </ul>	Beamer/ LCD Black / White Board  Students Laptop
Closing	<ul style="list-style-type: none"> <li>• Inform the student the next 13<sup>th</sup> meeting material</li> <li>• give assessment / homework to the students</li> </ul>	<ul style="list-style-type: none"> <li>• Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>• evaluate the students activity during the lesson</li> <li>• evaluate and observe, how the students solve the problem</li> </ul>		
Reference	Ch. 19 (I) & Ch. 20 (II)		

WEEK : 13

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18/22

QT 06.02/Rev.03

Duration : 4 x 50 minutes  
 Topic : Hybrid financing: preferred stock, leasing, warrants, and convertibles  
 Sub-Topic : Preferred stock  
                   Leasing  
                   Warrants  
                   Convertibles  
                   A final comparison of warrants and convertibles  
                   Reporting earnings when warrants or convertibles are outstanding  
                   Case: Gainesboro machine tools corporation

**Learning Outcomes of Lesson:**

**After studying this chapter the students should be able to do the following:**

- Identify the basic features of preferred stock and explain its advantages and disadvantages.
- Differentiate among the types of leases, discuss the financial statement effects of leasing, and evaluate a lease.
- Explain what warrants are, how they are used, and analyze their cost to the firm.
- Explain what convertibles are, how they are used, and analyze their cost to the firm.

**DETAIL OF LECTURING ACTIVITY**

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>• Introduce the Chapter’s objectives</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>• Preferred stock</li> <li>• Leasing</li> <li>• Warrants</li> <li>• Convertibles</li> <li>• A final comparison of warrants and convertibles</li> <li>• Reporting earnings when warrants or convertibles are outstanding</li> <li>• Case: Gainesboro machine tools corporation</li> </ul>	<ul style="list-style-type: none"> <li>• Listening into the Lecturer</li> <li>• Read the Text Book</li> <li>• Solve the case</li> </ul>	Beamer/ LCD Black / White Board  Students Laptop
Closing	<ul style="list-style-type: none"> <li>• Inform the student the next</li> </ul>	<ul style="list-style-type: none"> <li>• Listening to the</li> </ul>	Lecturing

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
	14 <sup>th</sup> meeting material <ul style="list-style-type: none"> <li>give assessment / homework to the students</li> </ul>	lecturer	
Evaluation	<ul style="list-style-type: none"> <li>evaluate the students activity during the lesson</li> <li>evaluate and observe, how the students solve the problem</li> </ul>		
Reference	Ch. 20 (I) & Ch. 29(II)		

**WEEK** : **14**  
 Duration : 4 x 50 minutes  
 Topic : Mergers and acquisitions  
 Sub-Topic : Rationale for mergers  
 Type of mergers  
 Level of merger activity  
 Hostile versus friendly takeovers  
 Merger analysis  
 The role of investment bankers  
 Corporate alliances  
 Private equity investments  
 Divestitures  
 Case: Sun Microsystem

**Learning Outcomes of Lesson:**

**After studying this chapter the students should be able to do the following:**

- Identify the different types of mergers and the various rationales for mergers.
- Conduct a simple analysis to evaluate the potential value of a target firm and discuss the various considerations that influence the bid price.
- Explain whether the typical merger creates value for the participating shareholders.
- Discuss the value of other transactions such as leveraged buyouts (LBOs), corporate alliances, and divestitures.

**DETAIL OF LECTURING ACTIVITY**

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>Introduce the Chapter's objectives</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>Rationale for mergers</li> <li>Type of mergers</li> <li>Level of merger activity</li> <li>Hostile versus friendly takeovers</li> <li>Merger analysis</li> <li>The role of investment bankers</li> <li>Corporate alliances</li> <li>Private equity investments</li> <li>Divestitures</li> <li>Case: Sun Microsystem</li> </ul>	<ul style="list-style-type: none"> <li>Listening into the Lecturer</li> <li>Read the Text Book</li> <li>Solve the case</li> </ul>	Beamer/ LCD Black / White Board  Students Laptop
Closing	<ul style="list-style-type: none"> <li>Inform the student the next 15<sup>th</sup> meeting material</li> <li>give assessment / homework to the students</li> </ul>	<ul style="list-style-type: none"> <li>Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>evaluate the students activity during the lesson</li> <li>evaluate and observe, how the students solve the problem</li> </ul>		
Reference	Ch. 21 (I) & Ch. 48 (II)		

**WEEK : 15**

Duration : 4 x 50 minutes

Topic : Review material

Sub-Topic : Review all the materials from week #8 to week #13

**Learning Outcomes of Lesson:**

**After studying this chapter the students should be able to do the following:**

- Solve the case problems.

**DETAIL OF LECTURING ACTIVITY**

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21/22

QT 06.02/Rev.03

Phase	TOPIC: Lecturer / Facilitator Activity	Students activity	Method / Lecturing Tools / Remarks
Introduction	<ul style="list-style-type: none"> <li>Review week #9 to week #14</li> </ul>		Lecturing
Delivery	<ul style="list-style-type: none"> <li>Review week #9 to week #14</li> </ul>	<ul style="list-style-type: none"> <li>Listening into the Lecturer</li> <li>Read the Text Book</li> </ul>	Beamer/ LCD Black / White Board  Students Laptop
Closing	<ul style="list-style-type: none"> <li>Inform the student the next final exam materials and topics.</li> </ul>	<ul style="list-style-type: none"> <li>Listening to the lecturer</li> </ul>	Lecturing
Evaluation	<ul style="list-style-type: none"> <li>evaluate the students activity during the lesson</li> <li>evaluate and observe, how the students solve the problem</li> </ul>		
Reference	Review all materials of week #9 to week #14		

**WEEK : 16 (Semester break)**

**WEEK : 17 (Final Examintaion)**