

125.810
Case Studies in Corporate Finance and Risk
Management

COURSE GUIDE

UEH- Ho Chi Minh City
Second Semester, 2021

Massey Business School

Te Kura Whai Pakihi

MOEMOEĀ (VISION):

To be a business school of consequence.

TE PAE TAWHITI (MISSION):

To be an educator that supports the wellbeing and ambition of students and staff, contributes to sustainable prosperity in Aotearoa New Zealand, and engenders impactful research of theoretical and practical significance.

NGĀ UARA (VALUES):

- | | |
|--------------------------------|-----------------------------|
| • Whai ngākau tētahi ki tētahi | Respect for all |
| • Hāngai ki te tino ao | Real-world relevance |
| • He ako noa | Learning without boundaries |
| • Mā te rangahau e arataki | Research-led thinking |

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Course Staff

Course/Offering coordinator: Dr. Harvey Nguyen

Dr. Harvey Nguyen is a Senior Lecturer (Assistant Professor) in Finance at Massey Business School. Harvey received a Ph.D. in Finance from Monash University, Australia where he was awarded the Vice Chancellor's Commendation for Thesis Excellence. Harvey has had intensive teaching experience in Advanced Corporate Finance, Financial Modelling, Financial Management, Studies in Capital Markets, Financial Management Theory, Quantitative Methods for Accounting and Finance, Financial Risk Management, and Equities and Investment Analysis in both undergraduate and postgraduate levels.

His research interests are corporate finance, behavioral finance, and market microstructure, with recent works focusing on climate change and capital markets, insider transactions, credit risk, corporate governance and financial accounting. Harvey has published in internationally respected journals such as *Journal of Banking and Finance*, *Journal of Financial Markets*, *Accounting and Finance*, *Applied Economics*, and *Journal of Behavioral and Experimental Finance*. He has been an ad hoc reviewer for over 20 journals and conferences, including *Journal of Corporate Finance*, *Journal of Business Finance and Accounting*, *Journal of Empirical Finance*, *Pacific-Basin Finance Journal*, *Accounting and Finance*, *FMA Annual Meeting*, *FMA European Conference*, *EFA Annual Conference*, among others. Harvey has won several Best Paper Awards at international finance conferences and competitive research grants (AFAANZ, Strategic Research Excellence Fund, and MURF Research Grants).

Harvey is the Director, Ph.D. Studies (School of Economics and Finance- Albany campus). He is a member of the American Finance Association (AFA), Western Finance Association (WFA), European Finance Association (EFA), Accounting and Finance Association of Australia and New Zealand (AFAANZ), Vietnamese Finance Association (VFAI), SAS User Group, and Massey University's Sustainability and Corporate Social Responsibility Research Group.

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What is this course about?

Summary of the course

Using case study analysis, this course encompasses the theory and practice of financial management, financial risk management and the allocation of capital in the global business setting.

Course student learning outcomes

Students who successfully complete this course should be able to:

LO1: Evaluate financial data and identify complex financial and capital allocation problems in business.

LO2: Apply theory, analysis and decision-making techniques to complex real-world risk management problems and reconcile conflicting theories and conflicting analysis.

LO3: Articulate and debate advanced level financial theory and its practical application in a decision-making setting.

LO4: Make advanced level corporate finance decisions.

LO5: Apply the principles of risk and return to corporate investment decisions under uncertainty.

Course role in development of programme learning goals

This course complies with AACSB Standards and is consistent with the College's Mission Statement, meets staff sufficiency standards 5, 10 & 15, and meets assurance of learning standards 8, 9 & 11.

Overview of the topics covered

MODULE 1: Investment Decisions	
Week 1	Risk Measurement and Hurdle Rates
Week 2	Measuring Returns on Investments
Week 3	Estimating Side Costs and Benefits
MODULE 2: Financial Modelling and Risk Management	
Week 4	Financial modelling
Week 5	Sensitivity analysis and Simulation
MODULE 3: Financing Decisions	
Week 6	Test 1
Week 7	Capital Structure
MODULE 4: Dividend Decision	
Week 8	Dividend Policy
MODULE 5: Valuation	
Week 9	Basics of Valuation
Week 10	Equity and Firm Valuation
Week 11	Merge and Acquisition
Week 12	Test 2

How is this course assessed?

The assessment at a glance

Assessment	Learning Outcomes	Percentage Weighting	Due Dates
Case Study 1	1,2,3,4	20%	Week 4
Case Study 2	1,2,3,4	20%	Week 8
Test (2 tests)	1,2,3,4	30%	Week 6 and Week 12
Case Study 3	1,2,3,4	20%	Week 10
Presentation	1,2,3,4	10%	TBC

Assessment 1: Case Study 1

Format

Announced	Week 2
Due date	Week 4
Structure	Case studies about investment decisions will be given. You will be required to analyse the case and submit a written case report. The report should be a complete review of the situation and address all points believed to be important for the analysis.
Submission	TBC
Resources	Lecture notes, textbook, reading materials, and other internet sources.
Worth	Maximum of 10% of the final mark

Assessment 2: Case Study 2

Format:

Announced	Week 4
Due date	Week 6
Structure	You will be given a case study in which you will be required to build financial modelling and perform the sensitivity and scenario analysis and simulation using Excel and write a short report to discuss the results of your analysis. A specific data set for this assignment will be provided.
Submission	The assignment will be submitted via Stream site. Details TBC
Resources	Lecture notes, textbook, reading materials, and other internet sources.
Worth	Maximum of 20% of the final mark

Assessment 3: Test

Format:

Announced	Week 6 and week 12
Due date	Week 6 and week 12
Structure	There will be two internal tests. Test 1 will be in week 6 and covers the topic from week 1 to week 5. Test 2 will be in week 12 and covers the topic from week 7 to 11.
Submission	Details TBC
Resources	Lecture notes, textbook, reading materials, and other internet sources.
Worth	Maximum of 30% of the final mark (15% each test)

Assessment 4: Case Study 3

Format:

Announced	Week 8
Due date	Week 10
Structure	Case studies about dividend policy will be given. You will be required to analyse the case and submit a written case report. The report should be a complete review of the situation and address all points believed to be important for the analysis.
Submission	The assignment will be submitted via Stream site. Details TBC
Resources	Lecture notes, textbook, reading materials, and other internet sources.
Worth	Maximum of 20% of the final mark

Assessment 5: Presentation

Format:

Announced	Week 1
Due date	TBC
Structure	You will be required to analyse the case and present your analysis. The presentation should be a complete review of the situation and address all points believed to be important for the analysis. The presentation will be 15-20 minutes.
Submission	Details TBC
Resources	Lecture notes, textbook, reading materials, and other internet sources.
Worth	Maximum of 10% of the final mark

Assignment Extensions

An extension of time to complete an assignment may be granted at the discretion of the course coordinator in the case of unforeseen circumstances such as misadventure or illness.

Applications for an extension of time should be made to the course co-ordinator by email or in person. You may be required to substantiate your application with appropriate documentary evidence such as medical certificates, accident reports etc. (Please note that work commitments, computer failures, or lack of commitment from other group members are usually considered insufficient grounds for an extension.)

Please let your course or offering coordinator know as soon as possible if you need an extension. We want to assist, but we need to hear from you.

Late Assignments

We expect that you will work diligently to manage your workload and plan assignment preparation so you can submit in a timely fashion. This is part of the expectations for academic study. However we also know that unexpected circumstances can and do arise.

If you do miss the deadline and you did not ask for an extension, you may still submit your assignment late. However, *in usual circumstances**:

- A penalty of 2 marks out of 100 per day (including weekends) will be applied to the final mark.
- Assignments that are 8-14 days late may receive little, if any, written feedback and may not be returned within the three-week turnaround time.

If your assignment arrives 15+ days after the deadline, it will not be marked and you will receive a zero grade.

Student Submission of Assignments

Many of you are aware of the increasing difficulties educational institutions are having dealing with issues of plagiarism. This problem impacts on students as it disadvantages honest students, undermines the credibility of the qualification, and takes up huge staffing resources that could be better spent elsewhere. Massey uses Turnitin®, a text matching web application, as one of a variety of methods and technologies to detect and deal with the problem. The electronic version of the assignment you submit will be compared with material available on the world wide web including many electronic books, journals, newspapers, cheat sites (or paper mills), web pages and previously submitted assignments.

Please go to <http://www.massey.ac.nz/?ta5c75148n> for instructions on how to upload your assignments to the Stream course website.

Return of Assessments

We aim to mark assignments submitted on time within 15 working days from the official due date.

Academic Honesty and Plagiarism

For all course assignments it is acceptable (and helpful) to discuss the issues with other students. You may freely ask and answer questions that promote learning.

However, it is NOT acceptable to:

- Copy another student's work, in part or in total, or an official answer from either the current class or from a previous class.
- Allow other students to copy your work, in part or in total.
- Copy *your own work* if it has already been submitted for assessment elsewhere.
- Provide students in future years with copies of your assignments.
- Copy and paste sections from internet sourced documents or pages.
- Have another person prepare and/or write your assignment (or parts of your assignment) on your behalf.

Plagiarism is defined by Massey University as:

Presenting as one's own work the work of another, including copying or paraphrasing of another's work without acknowledging it as another person's work through full and accurate referencing. It applies to material presented through written, spoken, electronic, broadcasting, visual, performance or other medium.

Plagiarism can be avoided by correctly acknowledging the authorship of any material in your assignment that is not your own original work. Go to the [Online Writing and Learning Link](#) for guidance on correct referencing.

Plagiarism in an assignment may result in your assignment not being awarded any marks. In serious cases, it can result in even more serious disciplinary action by the University.

A link to the Student Guide to Academic Integrity at Massey University is [here](#).

Please make yourself familiar with the Code of Student Conduct available [here](#)

How will we learn in this course?

Approach to Teaching and Learning in the Course

Students who work steadily throughout the semester can reasonably expect to master the material. In the semester format, an average student will need to devote 20 hours per week to this paper in order to achieve a passing grade. The workload includes lectures, reading the textbook, revision of notes and test/exam studying. This means that you will have to organise your time very carefully to maintain the necessary pace. This paper is not one that can be crammed before the final exam.

Listed as “required-essential”, this paper relies on the internet (Massey Stream) to create an “online learning environment”. The capacity to access internet is compulsory for all the students. We urge everyone to regularly check our 125.781 Stream website, which contains all of the information about the paper progress. All materials will be provided through the Stream.

Recommended readings

Case Problem in Finance

Authors W. Carl Kester, Richard S. RuBack Peter Tufano

ISBN: 978-0072977295

Edition: 12th Edition

Publisher: John Wiley & Sons, Inc

Applied Corporate Finance

Author: Aswath Damodaran

ISBN: 978-1118808931

Edition: 4th Edition

Publisher: McGraw-Hill Irwin

Other supplementary readings will be posted on Stream.

Learning Activities and Teaching Strategies

Role of Stream

Stream is our learning environment – it’s our virtual classroom. It is the main place the resources for this course are stored, various learning activities are staged, and it is also where we talk with each other.

The Stream site will be available two weeks before the teaching semester officially begins. That means you don’t have to wait to get going - you can start exploring the environment and even start reading in advance.

Course outline: Second semester, 2021

Week #	Topic	Readings		Assessment
		Text	Other readings	
1	Risk Measurement and Hurdle Rates	ACF C4	Case study W1	
2	Measuring Returns on Investments	ACF C5	Case study W2	
3	Estimating Side Costs and Benefits	ACF C6	Case study W3	
4	Financial modelling		Stream	Case study 1 due
5	Sensitivity analysis and Simulation		Stream	
6	Test 1			Test 1
MID-SEMESTER BREAK {may vary}				
7	Capital Structure	ACF C8, 9	Case study	
8	Dividend Policy	ACF C10, 11	Case study	Case study 2 due
9	Basics of Valuation	ACF C12	Case study	
10	Equity and Firm Valuation	ACF C12	Case study	Case study 3 due
11	Merge and Acquisition		Case study	
12	Test 2			Test 2

Course workload

The credit value for this class (30 credits) offers a guideline not only concerning the number of credits you earn towards the degree or diploma for which you are enrolled, but also concerning the total amount of time you might reasonably expect to spend on this course in order to complete it. A 30-credit course is defined by the Tertiary Education Commission as 300 hours of student workload, so you can expect to allocate to this course about twenty study hours outside of classes per week, although of course everyone works differently. Expect some weeks to be busier than others, especially when assignments are due, but *you should be working on your coursework regularly, every week.*

Communicating with each other

The primary means of communication, further to our interaction in the lectures, are the Stream forums. These can be found under the Communication Tools tab on Stream. *Please use these forums to communicate with us, rather than contacting us via email.* This is because messages from individual student email accounts are sometimes misidentified by Massey email systems as spam, and filtered out – *ensure we hear from you by communicating via the Stream forums.* There are several forums, each with a different purpose. They include:

News forum: This is a one-way forum from us to you. Look here for important updates about this course. Note that these announcements will automatically be sent to your registered email address. If you see an email with 125.732 in the subject line, PLEASE READ IT - it will be important!

Student Discussion: Use this forum to chat with your classmates. This forum will not be monitored by staff.

Personal Communication: Use this to confidentially communicate with course staff about private matters, such as ill health, personal issues, etc.

Course Information: (think of this as a “Student to Coordinator Public Questions forum”). Use this to post general course-related questions and receive answers that are visible to all participants.

Other forums may include one or more **Assessments Forum** for queries about assessments.

If you "subscribe" to a forum, new messages get emailed to you (this is automatic for the News Forum, but for the others, you need to subscribe yourself).

Communication expectations

We expect everyone in the Massey community to communicate courteously, appropriately, and constructively in all exchanges, as Massey's guidelines stipulate.

In terms of specific messages, it's important to be clear from the outset both what I expect of you and what you can expect of me. Here is what you can reasonably expect of me:

- responses to all discussion forum postings within 48 hours during the working week (Monday-Friday);
- responses to any personal communication within 48 hours during the working week.

Within reason, I also have a couple of expectations of you:

- use a meaningful subject line in your discussion postings;
- use the Stream discussion forums appropriately;
- support your colleagues in the course – that means encourage, help, and respect your fellow students.