



FIN 530 Corporate Finance Session: F5 Module III, 2025-2026

Course Information

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Classes:

Lectures: Mon & Thurs 10:30AM – 12:20PM

Venue: Rm 415

Course Website:

PHBS Course Management System (CMS): cms.phbs.pku.edu.cn. Search for "Corporate Finance - 2026M3" and enrol with the code of "**CF26M3**".

All students must register into CMS because the lecturer notes and course assignments will be distributed through the course website. Note: Please enter your name in ENGLISH when you register on CMS because the system does not recognize Chinese characters.

1. Course Description

1.1 Context

Course overview:

The course introduces students to the subject of corporate financial management. The aim of this course is to examine how decision making by corporate managers can enhance shareholder value. Particular attention is paid to investment decisions (e.g., the choice of investment projects) and financing decisions (e.g., the choice of debt and equity).

Emphasis is given to *value measurement* as well as *value creation*. Capital markets are introduced as the benchmark for all valuation purposes, and as a useful tool to infer essential information needed for financial valuation and decision-making.

Prerequisites:

This course presumes that students have taken basic courses in accounting, economics, and finance.

1.2 Textbooks and Reading Materials

Lecture notes, assignments, and other useful materials will be posted on the course web page.

Reference Book:

Corporate Finance, by Ross, Westerfield, Jaffe, and Jordan. McGraw Hill, 11th ed. (RWJJ)

2. Learning Outcomes

2.1 Intended Learning Outcomes

| Learning Goals | Objectives | Assessment (YES with details or NO) |
|--|---|-------------------------------------|
| 1. Our graduates will be effective communicators. | 1.1. Our students will produce quality business and research-oriented documents. | |
| | 1.2. Students are able to professionally present their ideas and also logically explain and defend their argument. | √ |
| 2. Our graduates will be skilled in team work and leadership. | 2.1. Students will be able to lead and participate in group for projects, discussion, and presentation. | √ |
| | 2.2. Students will be able to apply leadership theories and related skills. | |
| 3. Our graduates will be trained in ethics. | 3.1. In a case setting, students will use appropriate techniques to analyse business problems and identify the ethical aspects, provide a solution and defend it. | |
| | 3.2. Our students will practice ethics in the duration of the program. | |
| 4. Our graduates will have a global perspective. | 4.1. Students will have an international exposure. | |
| 5. Our graduates will be skilled in problem-solving and critical thinking. | 5.1. Our students will have a good understanding of fundamental theories in their fields. | √ |
| | 5.2. Our students will be prepared to face problems in various business settings and find solutions. | √ |
| | 5.3. Our students will demonstrate competency in critical thinking. | √ |

2.2 Course specific objectives

The objectives of this course are to give students the capacity to understand the theory and apply, in real world situations, the techniques that have been developed in corporate finance, and to give the big picture of corporate finance so that students can understand how things fit together.

2.3 Assessment/Grading Details

The course grade will be determined by the following scheme:

| | |
|------------------|-------------|
| Final exam | 50% |
| Group project | 30% |
| Case performance | 10% |
| Class attendance | 10% |
| Total | 100% |

Final Exam (50%): The final exam will be held 11:00 AM–1:00 PM on April 29, 2026. No make-up exam will be offered under any circumstances, so plan travel and other commitments accordingly. The exam will be closed book and closed notes; however, you may bring one **hand-written**, double-sided A4 cheat sheet. No printed notes or photocopied materials are permitted. You will need a **calculator** for the exam, but computers, tablets, and smartphones are not allowed during the testing period.

Group Project (30%): Students should begin forming groups of four to six members early in the semester. Please aim to form balanced teams (e.g., in background, skills, and workload). The specific project task will be announced in class. Each group will deliver a presentation during the final lectures on April 23 and/or 27, 2026 (exact schedule to be confirmed). Evaluation will be based on the quality, rigor, and originality of your final work and presentation, as well as evidence of effective collaboration. Each group member normally receives the same grade; however, documented complaints about free riders may result in differentiated individual grades.

Case Performance (10%): Everyone should read and analyze the case materials before attending the case-discussion sessions (tentatively on Mar 26 and Apr 20), and submit a one-page case report at the start of the class. The evaluation is based on your preparation and effort, not solely on the “correctness” of your conclusions. The instructor may use random cold calls in class to assess whether you have completed assigned work and are able to explain your reasoning during discussion.

Class Attendance & Participation (10%): Attendance will be recorded via the facial scanning system, and these records are considered final—no appeals will be accepted. In addition to being present, active participation will be rewarded, including constructive contributions to discussion, thoughtful questions, and engagement with peers’ ideas.

2.4 Academic Honesty and Plagiarism

It is important for a student’s effort and credit to be recognized through class assessment. Credits earned for a student work due to efforts done by others are clearly unfair. Deliberate dishonesty is considered academic misconducts, which include plagiarism; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis.

All assessments are subject to academic misconduct check. Misconduct check may include reproducing the assessment, providing a copy to another member of faculty, and/or communicate a copy of this assignment to the PHBS Discipline Committee. A suspected plagiarized document/assignment submitted to a plagiarism checking service may be kept in its database for future reference purpose.

Where violation is suspected, penalties will be implemented. The penalties for academic misconduct may include: deduction of honour points, a mark of zero on the assessment, a fail grade for the whole course, and reference of the matter to the Peking University Registrar.

For more information of plagiarism, please refer to *PHBS Student Handbook*.

AI tools requirements:

Using AI tools to complete assignments or assessments without the approval of the course instructor will be regarded as an act of academic dishonesty. Depending on the severity of the situation, penalties will be implemented in accordance with the provisions of the Peking University Graduate Student Handbook.

For more information of plagiarism, please refer to *PHBS Student Handbook*.

3. Topics, Teaching and Assessment Schedule

The following course outline is an approximate schedule of topics to be covered. Note that *my lectures may cover stuff beyond the textbook, and the schedule is subject to change.*

| | Date | | Topics | Book Chapters |
|----|--------|-----|--|---------------|
| 1 | Mar 2 | Mon | Introduction | Ch1 |
| 2 | Mar 5 | Thu | NPV and Basic Concepts of Corporate Finance | Ch4 |
| 3 | Mar 9 | Mon | NPV and Basic Concepts of Corporate Finance | Ch4 |
| 4 | Mar 12 | Thu | Capital Budgeting Methods | Ch5 |
| 5 | Mar 16 | Mon | Accounting Review | Ch2-3 |
| 6 | Mar 19 | Thu | Project Cash Flows | Ch 6-7.1 |
| 7 | Mar 23 | Mon | Project Cash Flows | Ch 6-7.1 |
| 8 | Mar 26 | Thu | Case I | |
| 9 | Mar 30 | Mon | Bond Valuation | Ch8 |
| 10 | Apr 2 | Thu | Stock Valuation | Ch9 |
| 11 | Apr 8 | Wed | CAPM | Ch11-13 |
| 12 | Apr 9 | Thu | M&M Theorem without Tax | Ch16.1-16.4 |
| 13 | Apr 13 | Mon | M&M Theorem with Tax | 16.5 |
| 14 | Apr 15 | Wed | Limits of Debt | Ch17 |
| 15 | Apr 16 | Thu | Valuation of Levered Firm (three approaches) | Ch18 |
| 16 | Apr 20 | Mon | Case II | |
| 17 | Apr 23 | Thu | Group Project Presentation | |
| 18 | Apr 27 | Mon | Group Project Presentation | |

4. Miscellaneous

Class Attendance

Class attendance is mandatory in accordance with school regulations and will be monitored using the facial scanning system records.

Calculator

You will need a calculator for the final exams. Cell phones or computers are not allowed. If you don't bring one, you will NOT be allowed to borrow it from your classmates.

AI Policies

AI is not allowed for the exams which are closed-booked. However, you can use AI tools to assist your preparation for the group project. The evaluation will be based on whether you make a clear and coherent point, how convincing your evidence is, and the innovation in your work.