

School of Economics and Finance

## **MOFI 409 SPECIAL TOPIC: TOPICS IN CORPORATE FINANCE**

Trimester Two 2009

### **COURSE OUTLINE**

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#### **Names and Contact Details**

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#### **Trimester Dates**

Teaching Period: Monday, July 13 to Friday, October 16

End of Year Study Period: Monday, October 19 to Monday, October 26

Examination Period: Tuesday, October 17 to Saturday, November 14

*Note: Students who enrol in courses with examinations should be able to attend an examination at the University at any time during the formal examination period.*

**Withdrawal dates:** Information available via

<http://www.victoria.ac.nz/home/admisenrol/payments/withdrawalsrefunds.aspx>

#### **Class Times and Room Numbers**

Lectures will be held on Tuesday in room G01 in Rutherford House from 11:30am-1:30pm. The lecture room is booked for three hours, but each lecture will normally only last two hours.

#### **Course Content**

Material will be drawn from the following list:

- Manager-shareholder conflict
- Capital structure and managers' incentives
- Executive compensation: Symptom or solution?
- Delegating monitoring to the board of directors; large shareholders; banks; and analysts and ratings agencies
- Market for corporate control
- Bondholder-shareholder conflict
- Target levels of debt and dividends
- Adverse selection
- Signalling
- Achieving debt and dividend targets

## **Course Learning Objectives**

By the end of this course, students should be able to:

- demonstrate an understanding of theories of corporate financing and corporate governance based on asymmetric information
- carry out simple empirical tests of these theories, and assess the merits of more complicated empirical tests
- interpret observed firm and market behaviour in terms of these theories
- communicate the key implications of modern corporate finance theories to a non-specialist audience

## **Course Delivery**

Course delivery takes the form of 12 approximately two-hour lectures.

## **Expected Workload**

The workload for MOFI 409 is intended to be similar to that for other 400-level ECON and MOFI courses. The total expected workload is 150 hours, comprising 12-13 hours per week.

## **Readings**

There is no text. Lecture notes and key readings will be provided.

## **Materials and Equipment**

Non-programmable calculators will be allowed in the final examination.

## **Assessment Requirements**

The final grade will be determined by two assignments (each contributing 15%); a referee's report on a specified recent journal article (contributing 10%); a short class presentation of a specified empirical paper (contributing 5%); and a two-hour final exam (contributing 55%).

The relevant due dates are

- Assignment 1: 11:30am on Tuesday, August 18 (start of lecture 6).
- Referee's report: 11:30am on Tuesday, September 29 (start of lecture 10).
- Assignment 2: 11:30am on Tuesday, October 13 (start of lecture 12).

*Note: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.*

## **Examinations**

The final examination for this course will be scheduled at some time during the period from Tuesday 27 October to Saturday 14 November 2009.

## **Penalties**

Assignments handed in late will not be marked. If a satisfactory medical certificate is provided, the weight from the assignment will be shifted onto the other pieces of assessment; otherwise, the assignment score will be recorded as 0.

## **Mandatory Course Requirements**

None.

## **Communication of Additional Information**

Course documents and other information will be available on the course website at <http://blackboard.vuw.ac.nz>. Announcements will also be posted there.

**For the following important information, follow the links provided:**

Academic Integrity and Plagiarism

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

General University Policies and Statutes

<http://www.victoria.ac.nz/home/about/policy/academic.aspx>

Faculty of Commerce and Administration Offices

<http://www.victoria.ac.nz/fca/studenthelp/Contactus.aspx>

Manaaki Pihipihinga Programme

[http://www.victoria.ac.nz/st\\_services/mentoring/](http://www.victoria.ac.nz/st_services/mentoring/)