

Victoria International Applied Finance Programme
School of Economics and Finance

MMAF528 CURRENT TOPICS IN CORPORATE FINANCE

Trimester One 2011

COURSE OUTLINE

Names and Contact Details

Michael Keefe (course coordinator)
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Office Hours: Fridays 9-11AM

Trimester Dates

Teaching Period: Monday 28 February – Friday 3rd June
Study Period: Monday 6 June – Thursday 9 June
Examination Period: Friday 10 June – Saturday 2 July (inclusive)

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before 11 March 2011.
2. The standard last date for withdrawal from this course is 14 May. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an 'Application for Associate Dean's Permission to Withdraw Late' including supporting documentation

The application form is available from either of the Faculty's Student Customer Service Desks.

Class Times and Room Numbers

Lecture Location: Railway 128
Day: Monday
Time: 10:30 am – 12:30 pm

Course Content

Modern corporate finance is concerned about information and how that information affects incentives. In contrast, classical finance assumes all agents commonly observe and interpret information. Furthermore, classical finance assumes agents act upon a common information set by trading assets in frictionless markets that fully span all future states. In this course, we relax these strong assumptions and explore the effect on decision making using information economics, which yields new and more realistic insights into the following topic areas:

- The motivation to trade;
- Market frictions and news;
- Agency costs and Initial Public Offerings (IPOs) ;
- Agency costs and capital structure;
- Financial flexibility and cash holdings;
- Resolution of the management/stockholder agency problem.

Course Learning Objectives

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

- Explain the key question, contribution, set-up, mechanism, and empirical results from the scholarly papers discussed in class;
- Apply information economics to problems in corporate finance;
- Formulate empirical tests of theory;
- Interpret econometric results;
- Communicate the key implications of modern corporate finance to a non-specialist audience; and
- Critique current research and infer possible extensions.

Course Delivery

Course delivery takes the form of 12 approximately 2 hour lectures. Each student will present one assigned scholarly article in class.

Expected Workload

The total expected workload is 200 hours, comprising 16-17 hours per week.

Group Work

There is no group work.

Readings

There is no textbook. Rather, you will study and present journal articles and emerging scholarly work. Articles will be provided via Blackboard.

Materials and Equipment

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

Assessment Requirements

The final grade will be determined by two assignments (each contributing 20%) and a two-hour final exam (contributing 60%). Assignment one consists of two 30 minute presentations to the class of assigned research article. Assignment two consists of a 15-20 page critical evaluation of a research paper and is due on 2 May 2011. Both assignments will be evaluated against all of the learning objectives.

The following note should be included in every course outline:

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

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period. The final examination for this course will be scheduled at some time during the period from Friday 10 June – Saturday 2 July 2011.

Penalties

- Students, who do not present their assigned article on the assigned date, will receive a mark of zero. However, if the student provides a satisfactory medical certificate to the instructor, then the student's presentation will be re-scheduled and marked without penalty.
- For assignments other than the assigned article presentation, late assignments will be marked down by 5% for each day late. The date of submission is the date of delivery. There will be a final cut off date, one week after the due date for the assignment, after which the assignment will not be accepted and a grade of zero recorded.

Mandatory Course Requirements

None

Class Representative

A class representative will be elected in the first class, and that person's name and contact details made available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

Communication of Additional Information

Course documents and other information will be available on Blackboard. Announcements and presentations will be posted there.

Use of Turnitin (if applicable)

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

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

Find key dates, explanations of grades and other useful information at www.victoria.ac.nz/home/study

Find out about academic progress and restricted enrolment at
<http://www.victoria.ac.nz/home/study/academic-progress.aspx>

The University's statutes and policies are available at www.victoria.ac.nz/home/about/policy,
except qualification statutes, which are available via the Calendar webpage at
<http://www.victoria.ac.nz/home/study/calendar.aspx> (See Section C).

Further information about the University's academic processes can be found on the website of
the Assistant Vice-Chancellor (Academic) at
www.victoria.ac.nz/home/about_victoria/avcacademic/default.aspx

**AVC (Academic) Website: information including: Conduct, Academic Grievances,
Students with Impairments, Student Support**
http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx

Faculty of Commerce and Administration Offices
<http://www.victoria.ac.nz/fca/studenthelp/>

Manaaki Pihipihinga Programme
http://www.victoria.ac.nz/st_services/mentoring/