

VICTORIA INTERNATIONAL APPLIED FINANCE PROGRAMME
School of Economics and Finance

MMAF 528 CURRENT TOPICS IN CORPORATE FINANCE

Trimester 2 2012

COURSE OUTLINE

Names and Contact Details

Michael Keefe (course coordinator)
Room: RH329
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Office Hours: by appointment

Bonnie Riley (administrator)
Room: RH321
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Office Hours: 9am-12pm and 1-4pm

Trimester Dates

Teaching Period: Monday 16 July – Friday 19 October
Study Period: Monday 22 October – Thursday 25 October (Monday 22 October is a public holiday, Labour Day)
Examination Period: Friday 26 October – Saturday 17 November (inclusive)

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 27 July 2012.
2. The standard last date for withdrawal from this course is Friday 28 September. 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: RWW126
Day: Tuesday
Time: 11:30 am – 1:20 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;
- Possible resolutions of the management/stockholder agency problem.

Course Learning Objectives

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

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

Course Delivery

Course delivery takes the form of 12 approximately 1 hour 50 minute lectures.

Expected Workload

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

Group Work

There is no group work.

Readings

You will study and present journal articles and emerging scholarly work. Articles will be provided via Blackboard or available through the library.

Much of the theory presented in class is drawn from:

Tirole, Jean [The Theory of Corporate Finance](#). Princeton University Press; Princeton 2006
This book will be supplied to MMAF students – please see Anna Potts in RH307.

Materials and Equipment

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

Assessment Requirements

The final grade will be determined by class participation (10%), class presentations (20%), a fifteen page referee report (20%) and a two-hour final exam (contributing 50%). Note that MMAF 528 students are required to do one additional presentation above the number assigned to FINA 402 students.

Assessment	Date	Learning Objectives	Total Grade Percentage	Time Allowed in Minutes
Class Participation	All	2-6	10%	
Class Presentations	Various	1 & 5	20%	
Report	11-Sep-12	1-4 & 6	20%	
Final Exam	TBD	1-4	50%	120
Total			100%	

Quality Assurance 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 FCom 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 26 October – Saturday 17 November (inclusive).

Penalties

- Students who do not present their assigned articles on the assigned dates 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.
- If the report is submitted, it will be marked down by 5% for each day late. The date of submission is the date of delivery. One week after the assignment due date, the assignment will not be accepted and a grade of zero will be 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/avcadademic/default.aspx

AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support

http://www.victoria.ac.nz/home/about_victoria/avcadademic/Publications.aspx

Faculty of Commerce Office

<http://www.victoria.ac.nz/fcom/studenthelp/>

Te Putahi Atawhai**Maori and Pacific Mentoring Programme**

<http://www.victoria.ac.nz/tpa/>