

**Fulbright Economics Teaching Program
MPP5, Academic Year 2012 – 2013
Spring Semester
Financial Analysis Syllabus**

Teaching Team

- Instructor: Tran Thi Que Giang
Nguyen Xuan Thanh
- Tutor: Do Thien Anh Tuan

Class meetings*

Mon., Wed., Friday: 10:15– 11:45

** Except the first week and accounting complementary sessions, please refer to the detailed schedule.*

Office hours

	Mon	Tue	Wed	Thurs	Fri
T.T.Q. Giang				15:30-17:00	15:30-17:00
N.X. Thanh	15:30-17:30		15:30-17:30		
Đ.T.A. Tuan		15:30-17:00		15:30-17:00	

If the scheduled office hours are not convenient, please make specific appointments with the instructors.

Course Objectives

To introduce concepts, models, and tools of finance principles and corporate finance, and their applicability in practice based on case studies from Vietnam financial market.

Course Description

The course starts with fundamental topics in finance such as discounted cash flow, pricing of bonds and stocks using cash flow discounting method. Students are also introduced to most critical accounting tools for financial analysis. Next, the course will focus on the second part of fundamental finance which is portfolio theory, including risk and returns, risk diversification, capital market equilibrium, and arbitrage financial investment.

In the third part, students will apply basic learning from part 1&2 to corporate finance analysis. Framework and analytical tools for corporate financial statement will be introduced together with capital structure theory and corporate valuation practices. The last part of the course will be risk analysis and financial derivative instruments. Students will practice risk analysis using Monte Carlo simulation, acquaint themselves with valuation concepts and principles of future contracts, options, and learn how to use these tools in risk management.

Teaching Methods

Teaching team members use “co-participation” as the main teaching method which requires the participants to be actively involved in all formal lectures and case discussion. Lectures will be supported with case studies that require students to apply knowledge and skills learned in classes and readings to analyze the cases for active engagement in class discussion.

Readings

- Zvi Bodie, Alex Kane and Alan J. Marcus, Essentials of Investments, McGraw-Hill Irwin, 2008
- Richard Brealey and Stewart Myers, Principles of Corporate Finance, McGraw-Hill Irwin, 1996.
- Clyde Stickney and Roman Weil, Financial Accounting, Dryden, 1997
- Aswath Damodaran, Valuation for Investment, Wiley Finance, 2001

There are also other readings provided to the participants in the form of teaching notes, case studies and newspaper articles. Course will be taught in Vietnamese while some readings might be in English.

Course Requirements and Expectations

It is expected that the participants will read the assigned readings before class, regularly attend classes (except review sessions), actively take part in class discussions and successfully complete all case preparation work, written assignments and exams.

Sometimes the readings may not be easy to read and require some subsequent readings for further understanding. The participants may be called upon to comment on the assigned readings or answer the instructors’ questions.

There are eight case study analysis papers, five problem sets, one mid-term exam, and one final exam.

Assignments	Distribution date	Due date
Assignment 1: Present value	Friday, 22/02/2013	Monday, 04/03/2013
Assignment 2: Bonds & stocks	Monday, 04/03/2013	Monday, 18/03/2013
Assignment 3: Risk diversification	Monday, 18/03/2013	Monday, 01/04/2013
Assignment 4: Firm valuation	Monday, 03/05/2013	Monday, 13/05/2013
Assignment 5: Derivatives	Monday, 13/05/2013	Friday, 30/05/2013

Course assessment

The performance of the participants in this course will be assessed via case study analysis papers (25%), class participation (15%), mid-term exam (20%) and final exam (30%). For the assignments and case study papers, the participants may form up discussion groups, but all must write and submit their own wording solutions. All assignments should meet the deadline of 8:20 AM at the Registra Office.

Class schedule

PART 1: DISCOUNTED CASH FLOW

WEEK 1

Lecture 01: Tuesday, 19/02/2013, 13:30-15:00
Topic: **Tools, Organization and financial market**
Readings: Bodie, Kane & Marcus, chapter 2
 Mishkin, Economics of money, banking and financial market, chapter 3
Instructor: Nguyễn Xuân Thành

Lecture 02: Thurs., 21/02/ 2013, 13:30-15:00
Topic: **Discounted Cash flow and Present value (I)**
Readings: Brealey & Myers, chapter 2 & 3
Instructor: Trần Thị Quế Giang Assignment 1 distributed

Lecture 03: Friday, 22/02/2013, 10:15-11:45 **Assignment 1 distributed**
Topic: **Discounted Cash flow and Present value (II)**
Readings: Brealey & Myers, chapter 2 & 3
Instructor: Trần Thị Quế Giang

WEEK 2

Case study 01: Monday, 25/02/2013 **Case study paper 1 due**
Topic: **Prudential Life Insurance Policy**
Readings: Contract of Prudential Life Insurance, FETP case study
Instructor: Trần Thị Quế Giang

Lecture 4: Wed., 27/02/ 2013
Topic: **Bonds and bond valuation (I)**
Readings: Bodie, Kane & Marcus, chapter 10
Instructor: Nguyễn Xuân Thành

Review 01: Friday, 01/03/2013 **Assignment 2 distributed**
Topic: **Present value**
Instructor: Do Thien Anh Tuan

ACCOUNTING COMPLEMENTARY SESSIONS

Session 1: Wed., 27/02/2013 13:00-16:45 (*whole class*)
Topic: **Introduction of Corporate Financial Statement**
Readings: Stickney & Weil, Chapter 1
 Bodie, Kane & Marcus, Chapter 12
Instructor: Nguyen Tan Binh (adjunct)

WEEK 3

Lecture 5: Monday, 04/03/2013, **Assignment 1 due/Assignment 2 distributed**
Topic: **Bonds and bond valuation (II)**

Readings: Bodie, Kane & Marcus, chapter 10

Instructor: Nguyễn Xuân Thành

Lecture 6: Wed., 06/03/2013

Topic: **Stock Market**

Readings: Bodie, Kane & Marcus, chapter 2&3

Instructor: Do Thien Anh Tuan

Case study 02: Friday, 08/03/2013

Case study paper 2 due

Topic: **Vietnam Bond Market Investment**

Readings: Investing to Vietnam Bond Market, FETP Case Study

Instructor: Nguyen Xuan Thanh

ACCOUNTING COMPLEMENTARY SESSIONS

Session 2: Wed., 06/03/2013, 15:15-16:45

Topic: **Balance Sheet**

Readings: Stickney & Weil, Chapter 2

Instructor: Que Giang

WEEK 4

Lecture 07: Monday, 11/03/2013

Topic: **Stocks and the dividend discounting model (I)**

Readings: Brealey & Myers, chapter 4

Instructor: Trần Thị Quế Giang

Lecture 08 Wed., 13/03/2013

Topic: **Stocks and the dividend discounting model (II)**

Readings: Brealey & Myers, chapter 4

Instructor: Trần Thị Quế Giang

Review 02: Friday, 15/03/2013

Topic: **Bonds and Stocks Pricing**

Instructor: Nguyễn Xuân Thành

ACCOUNTING COMPLEMENTARY SESSIONS

Session 3: Wed., 13/03/2013, 15:15-16:45

Topic: **Income Statement**

Readings: Stickney & Weil, Chapter 3&4

Instructor: Do Thien Anh Tuan

PART 2: PORTFOLIO THEORY

WEEK 5

Lecture 09: Monday, 18/03/2013, Assignment 2 due/Assignment 3 distributed

Topic: **Risk and Return**

Readings: Bodie, Kane & Marcus, chapter 5
Brealey & Myers, chapter 7

Instructor: Trần Thị Quê Giang

Lecture 10: Wed., 16/03/2013

Topic: **Portfolio Theory**

Readings: Bodie, Kane & Marcus, chapter 6
Brealey & Myers, chapter 8, 8.1

Instructor: Trần Thị Quê Giang

Case Study 03: Friday, 22/03/2013

Case study paper 3 due

Topic: **Building risk diversifying model**

Readings : Financial Investment JS DDInvest, FETP case study
NXT, Risk, returns and capital investment allocation

Instructor: Nguyễn Xuân Thành

ACCOUNTING COMPLEMENTARY SESSIONS

Session 4: Wed., 20/03/2013, 15:15-16:45

Topic: **Cash Flow Statement**

Readings: Stickney & Weil, Chapter 5

Instructor: Do Thien Anh Tuan

WEEK 6

Lecture 11: Monday, 25/03/2013

Assignment 5 distributed

Topic: **Capital Asset Pricing Model (I)**

Readings: Bodie, Kane & Marcus, chapter 7
Brealey & Myers, chapter 8, 8.2-8.3

Instructor: Trần Thị Quê Giang

Lecture 12 Wed., 27/03/2013

Topic: **Capital Asset Pricing Model (II)**

Readings: Bodie, Kane & Marcus, chapter 7
Brealey & Myers, chapter 8, 8.2-8.3

Instructor: Trần Thị Quê Giang

Case study 04: Friday, 29/03/2013

Case study paper 4 due

Topic: **Estimating the Cost of Equity**

Readings: FPT, FETP case study

Instructor: Nguyễn Xuân Thành

WEEK 7

Lecture 13: Monday, 01/04/2013 **Assignment 3 due**

Topic: **The APT Model**

Readings: Bodie, Kane & Marcus, Chapter 7

Instructor: Nguyễn Xuân Thành

Review 03: Wed., 03/04/2013

Topic: **Mid-term exam Review**

Instructor: Trần Thị Quế Giang

Mid-term exam Friday, 5/04/2013 8:30-11:30

WEEK 8

No class

PART 3: FINANCIAL STATEMENT ANALYSIS AND FIRM VALUATION

WEEK 9

Lecture 14 Monday, 15/04/2013
Topic: **Financial Statement Analysis (I)**
 Readings: Stickney & Weil, Chapter 6
 Bodie, Kane & Marcus, Chapter 14
 Instructor: Do Thien Anh Tuan

WEEK 10

Lecture 15 Mon., 22/04/2013
Topic: **Financial Statement Analysis (II)**
 Readings: Stickney & Weil, Chapter 6
 Bodie, Kane & Marcus, Chapter 14
 Instructor: Do Thien Anh Tuan

Case study 05: Wed., 24/04/2013 **Case study paper 5 due**
Topic: **Financial Statement Analysis**
 Readings: Cartwright Wood Company, HBS Case Study
 Instructor: Nguyễn Xuân Thành

Case study 06: Friday, 26/04/2013 **Case study paper 6 due**
Topic: **Banking Financial Statement Analysis**
 Readings: The Merger of three Commercial Banks, FETP Case Study
 Instructor: Nguyễn Xuân Thành

WEEK 11

Lecture 16: Friday, 03/05/2013 **Assignment 4 distributed**
Topic: **Capital Structure**
 Readings: Brealey & Myers, chapter 17 & 18
 Instructor: Trần Thị Quế Giang

WEEK 12

Lecture 17: Monday, 06/05/2013 **Assignment 8 distributed**
Topic: **Firm Valuation bases on cash flow (I)**
 Readings: Bodie, Kane & Marcus, chapter 13, Damodaran, chapter 15
 Instructor: Nguyễn Xuân Thành

Lecture 18: Wed., 08/05/2013
Topic: **Firm Valuation bases on cash flow (II)**
 Readings: Bodie, Kane & Marcus, chapter 13, Damodaran, chapter 15
 Instructor: Nguyễn Xuân Thành

Case study 07: Friday, 10/05/2013 **Case Study paper 7 due**
Topic: **Valuing Vinamilk**
 Readings: Vinamilk, FETP case study
 Instructor: Nguyễn Xuân Thành

PART 4: RISK MANAGEMENT AND DERIVATIVES

WEEK 13

Lecture 19: Monday, 13/05/2013 **Assignment 4 due/ 5 distributed**

Topic: **Risk Analysis**

Readings: Monte Carlo Simulation, HBS notes

Instructor: Nguyen Xuan Thanh

Case study 08: Wed., 15/05/2013 **Case Study paper 8 due**

Topic: **Risk Analysis**

Readings: Phuong Dong Textile, FETP case study

Instructor: Nguyễn Xuân Thành

Lecture 20: Wed., 17/05/2013

Topic: **Forward and Future contract**

Readings: Bodie, Kane & Marcus, chapter 17.1-17.4 & 18.2

Instructor: Que Giang

WEEK 14

Lecture 21: Mon., 20/05/2013

Topic: **Forward and Future contract (II)**

Readings: Bodie, Kane & Marcus, chapter 17.1-17.4 & 18.2

Instructor: Que Giang

Lecture 22: Wed., 22/05/2013

Topic: **Option contract (I)**

Readings: Bodie, Kane & Marcus, chapter 15 & 16

Instructor: Nguyễn Xuân Thành

Review 04: Friday, 24/05/2013

Topic: **Forward, Future contract, and Options**

Instructor: Do Thien Anh Tuan

WEEK 15

Lecture 23: Mon., 27/05/2013

Topic: **Option contract (II)**

Readings: Bodie, Kane & Marcus, chapter 15 & 16

Instructor: Nguyễn Xuân Thành

Lecture 24: Mon., 29/05/2013

Topic: **Option contract (III)**

Readings: Bodie, Kane & Marcus, chapter 15 & 16

Instructor: Nguyễn Xuân Thành

Review 05: Friday, 30/05/2013, 08:30-11:30 **Assignment 5 due**

Topic: **Final-term Review**

Instructor: Trần Thị Quế Giang

WEEK 16

Final Exam: Monday, 03/06/2013, 8:30 – 11:30
