

Fulbright Economics Teaching Program
MPP7, Academic Year 2014 - 2015
Spring Semester
Financial Analysis Syllabus

Teaching Team

Instructor: Nguyen Xuan Thanh
Co-Instructor: Do Thien Anh Tuan
Tutor: Nguyen Thanh Hang
Tran Dang Phuc

Office hours

	Mon	Tue	Wed	Thu	Fri
N.X. Thanh	15:30-17:30		15:30-17:30		
D.T.A. Tuan		15:30-17:30		15:30-17:30	
N.T. Hang	17:00-18:30		17:00-18:30		
T.D. Phuc		16:30-18:00			16:30-18:00

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

Course Objectives

The coursework focuses on equipping students with the 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.

Reading Documents

- 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 six problem sets, one mid-term exam, and one final exam.

Assignment	Distribution Date	Due Date
Assignment 1: Present Value	Friday, 30/01/2015	Monday, 09/02/2015
Assignment 2: Bonds and Stocks	Monday, 09/02/2015	Monday, 09/03/2015
Assignment 3: Risk Diversification	Monday, 09/03/2015	Monday, 23/03/2015
Assignment 4: Fin. Statement Analysis	Monday, 23/03/2015	Monday, 13/04/2015
Assignment 5: Firm Valuation	Monday, 23/04/2015	Friday, 08/05/2015
Assignment 6: Derivatives	Monday, 11/05/2015	Friday, 22/05/2015

Course Assessment

The performance of the participants in this course will be assessed via problem sets (30%), class participation (15%), mid-term exam (20%) and final exam (35%). For the assignments, 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 lab in papers and electrical files (Word/Excel)

CLASS SCHEDULE

PART 1: DISCOUNTED CASH FLOW

WEEK 1		
Lecture 01:	Monday, 26/01/2015, 15:15-16:45	
Topic:	Tools, Organization and financial market	X. Thanh
Readings:	Bodie, Kane & Marcus, Chapter 2 Mishkin, "The Economics of Money, Banking and Financial Markets", Chapter 3	
Lecture 02:	Wednesday, 28/01/ 2015, 15:15-16:45	
Topic:	Discounted Cash Flow and Present Value (I)	A. Tuan
Readings:	Brealey & Myers, Chapter 2 & 3	
Lecture 03:	Friday, 30/01/2015, 13:30-15:00	<i>Assignment 1 distributed</i>
Topic:	Discounted Cash Flow and Present Value (II)	A. Tuan
Readings:	Brealey & Myers, Chapter 2 & 3	
WEEK 2		
Lecture 04:	Monday, 02/02/2015	
Topic:	Bonds and Bond Valuation (I)	X. Thanh
Readings:	Bodie, Kane & Marcus, Chapter 10	
Lecture 05:	Wednesday, 04/02/2015	
Topic:	Bonds and Bond Valuation (II)	X. Thanh
Readings:	Bodie, Kane & Marcus, Chapter 10	
Accounting Complementary Sessions		
Section 01:	Friday, 06/02/2015 (all MPP7)	
Topic:	Introduction of Corporate Financial Statements	A. Tuan
Readings:	Stickney & Weil, Chapter 1 Bodie, Kane & Marcus, Chapter 12	
WEEK 3		
Case Study 01:	Monday, 09/02/2015	<i>Assignment 1 due/Assignment 2 distributed</i>
Topic:	Investing in Vietnam Bonds Market	X. Thanh
Readings:	Bodie, Kane & Marcus, Chapter 2 & 3	
Lecture 06:	Wednesday, 11/02/2015	
Topic:	Stock Market	A. Tuan
Readings:	Bodie, Kane & Marcus, Chapter 2 & 3	

WEEK 4

Lecture 07: Monday, 02/03/2015
Topic: **Stocks and the Dividend Discounting Model (I)** A. Tuan
Readings: Brealey & Myers, Chapter 4

Lecture 08: Wednesday, 04/03/2015 A. Tuan
Topic: **Stocks and the Dividend Discounting Model (II)**
Readings: Brealey & Myers, Chapter 4

Accounting Complementary Sessions

Session 02: Friday, 06/03/2015
Topic: **Balance Sheet** A. Tuan
Readings: Stickney & Weil, Chapter 2

PART 2: PORTFOLIO THEORY

WEEK 5		
Lecture 09:	Monday, 09/03/2015	<i>Assignment 2 due/Assignment 3 distributed</i>
Topic:	Risk and Return	A. Tuan
Readings:	Bodie, Kane & Marcus, Chapter 5 Brealey & Myers, Chapter 7	
Lecture 10:	Wednesday, 11/03/2015	
Topic:	Portfolio Theory	X. Thanh
Readings:	Bodie, Kane & Marcus, Chapter 6 Brealey & Myers, Chapter 8, 8.1	
Case Study 02:	Friday, 13/03/2015	
Topic:	Building Risk Diversifying Model	X. Thanh
Readings:	The DDInvest Financial Investment JSC., FETP case study N.X.Thanh, "Risk, Return and Capital Investment Allocation"	
WEEK 6		
Lecture 11:	Monday, 16/03/2015	
Topic:	Capital Asset Pricing Model, CAPM (I)	X. Thanh
Readings:	Bodie, Kane & Marcus, Chapter 7 Brealey & Myers, Chapter 8, 8.2-8.3	
Lecture 12	Wednesday, 18/03/2015	
Topic:	Capital Asset Pricing Model, CAPM (II)	X. Thanh
Readings:	Bodie, Kane & Marcus, Chapter 7 Brealey & Myers, Chapter 8, 8.2-8.3	
Accounting Complementary Sessions		
Session 03:	Friday, 20/03/2015	
Topic:	Income Statement	A. Tuan
Readings:	Stickney & Weil, Chapter 3 & 4	
WEEK 7		
Case Study 03:	Monday, 23/03/2015	<i>Assignment 3 due/ Assignment 4 distributed</i>
Topic:	Estimating the Cost of Equity	X. Thanh
Readings:	FPT Corporation, FETP case study	
Review 01	Wednesday, 25/03/2015	
Topic:	Mid-term Exam Review	A. Tuan
Accounting Complementary Sessions		
Session 04:	Friday, 27/03/2015	
Topic:	Cash Flow Statement	A. Tuan
Readings:	Stickney & Weil, Chapter 5	
Mid-term Exam:	Friday, 03/4/2015, (8:30-11:30)	

PART 3: FINANCIAL STATEMENT ANALYSIS AND FIRM VALUATION

WEEK 9		
Lecture 14:	Monday, 06/04/2015, 13:30-15:00	A. Tuan
Topic:	Financial Statement Analysis (I)	
Readings:	Stickney & Weil, Chapter 6 Bodie, Kane & Marcus, Chapter 14	
Lecture 15:	Wednesday, 08/04/2015, 13:30-15:00	A. Tuan
Topic:	Financial Statement Analysis (II)	
Readings:	Stickney & Weil, Chapter 6 Bodie, Kane & Marcus, Chapter 14	
WEEK 10		
Case Study 04:	Monday, 13/04/2015, 13:30-15:00	<i>Assignment 4 due/Assignment 5 distributed</i>
Topic:	Financial Statement Analysis	X. Thanh
Readings:	Cartwright Wood Company, HBS case study	
Case Study 05:	Friday, 15/04/2015, 13:30-15:00	
Topic:	Banking Financial Statement Analysis	X. Thanh
Readings:	The Merger of Three Commercial Banks, FETP case study	
Lecture 16:	Friday, 17/04/2015, 10:15-11:45	X. Thanh
Topic:	Capital Structure	
Readings:	Brealey & Myers, Chapter 17 & 18	
WEEK 13		
Lecture 17:	Monday, 04/05/2015, 13:30-15:00	X. Thanh
Topic:	Firm Valuation bases on Cash Flow (I)	
Readings:	Bodie, Kane & Marcus, Chapter 13 Damodaran, Chapter 15	
Lecture 18:	Wednesday, 06/05/2015: 13:30-15:00	X. Thanh
Topic:	Firm Valuation bases on Cash Flow (II)	
Readings:	Bodie, Kane & Marcus, Chapter 13 Damodaran, Chapter 15	
Case Study 06:	Friday, 08/05/2015, 10:15-11:45	<i>Assignment 5 due</i>
Topic:	Valuing Vinamilk	X. Thanh
Readings:	Vinamilk, FETP case study	

PART 4: DERIVATIVES

WEEK 14		
Lecture 19:	Monday, 11/05/2015, 13:30-15:00	<i>Assignment 6 distributed</i>
Topic:	Forward and Future Contract (I)	X. Thanh
Readings:	Bodie, Kane & Marcus, Chapter 17.1-17.4 & 18.2	
Lecture 20:	Wednesday, 13/05/2015, 13:30-15:00	
Topic:	Forward and Future Contract (II)	X. Thanh
Readings:	Bodie, Kane & Marcus, Chapter 17.1-17.4 & 18.2	
Lecture 21:	Friday, 15/05/2015, 10:15-11:45	
Topic:	Option Contract (I)	X. Thanh
Readings:	Bodie, Kane & Marcus, Chapter 15 & 16	
WEEK 15		
Lecture 22:	Monday, 18/05/2015	
Topic:	Option Contract (II)	X. Thanh
Readings:	Bodie, Kane & Marcus, Chapter 15 & 16	
	Wednesday, 20/05/2015	
Topic:	Option Contract (III)	X. Thanh
Readings:	Bodie, Kane & Marcus, Chapter 15 & 16	
Review 02:	Friday 22/05/2015	<i>Assignment 6 due</i>
Topic:	Final Exam Review	X. Thanh
WEEK 16		
Final-term Exam:	Wednesday, 27/05/2015, 8:30 – 11:30	