

Fulbright Economics Teaching Program
MPP8, Academic Year 2015 - 2016
Spring Semester
Financial Analysis Syllabus

Teaching Team

Instructor: Tran Thi Que Giang
Instructor: Nguyen Xuan Thanh
Tutor: Chu Thi Hoang Oanh

Office hours

	Mon	Tue	Wed	Thu	Fri
T.T.Q.Giang		15:30-17:30		15:30-17:30	
N.X. Thanh	15:30-17:30		15:30-17:30		
C.T.H. Oanh		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

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 of financial instruments, markets and institutions and the introduction of discounted cash flow. Next, the second part of the course will focus on fundamental finance which is portfolio theory, including risk and returns, risk diversification, capital market equilibrium, and efficient market theory. In the third part, students will analyze debt instruments, including government bonds, corporate bonds and bond portfolio management. The fourth part requires students to apply the knowledge of the Introduction to Financial Accounting course in the Fall semester and the previous parts to corporate finance analysis. In particular, students will be familiarized with capital structure theory, stock analysis based on technical analysis as well as fundamental financial analysis and corporate valuation practices based on free cash flow. 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.
- 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

Students are required to have fundamental accounting knowledge prior to the course.

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

Assignment	Distribution Date	Due Date
Assignment 1: Cash flow discounting	Friday, 19/02/2016	Tuesday, 01/03/2016
Assignment 2: Risk Diversification	Tuesday, 01/03/2016	Tuesday, 22/03/2016
Assignment 3: Bonds	Tuesday, 22/03/2016	Friday, 01/04/2016
Assignment 4: Firm Valuation	Tuesday, 19/04/2016	Tuesday, 10/05/2016
Assignment 5: Derivatives	Tuesday, 10/05/2016	Friday, 27/05/2016

Course Assessment

The performance of the participants in this course will be assessed via problem sets (20%), class participation (15%), mid-term exam (25%) and final exam (40%). 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 electronic files (Word/Excel)

CLASS SCHEDULE

PART 1: FUNDAMENTAL FINANCE

WEEK 1

Lecture 01:	Tuesday, 16/02/2016, 13:30-15:00	
Topic:	Financial Instruments and Markets (I)	
Readings:	Bodie, Kane & Marcus, Chapter 2 Mishkin, "The Economics of Money, Banking and Financial Markets", Chapter 3	
Lecture 02:	Thursday, 18/02/2016, 13:30-15:00	
Topic:	Financial Instruments and Markets (II)	
Readings:	Bodie, Kane & Marcus, Chapter 2 Mishkin, "The Economics of Money, Banking and Financial Markets", Chapter 3	
Lecture 03:	Friday, 19/02/2016, 13:30-15:00	<i>Assignment 1 distributed</i>
Topic:	Financial institutions	
Readings:	Bodie, Kane & Marcus, Chapter 2 Mishkin, "The Economics of Money, Banking and Financial Markets", Chapter 3	

WEEK 2

Lecture 04:	Tuesday, 23/02/2016, 13:30-15:00	
Topic:	Discounted Cash Flow and Present Value (I)	
Readings:	Brealey & Myers, Chapter 2 & 3	
Lecture 05:	Thursday, 25/02/2016, 13:30-15:00	
Topic:	Discounted Cash Flow and Present Value (II)	
Readings:	Brealey & Myers, Chapter 2 & 3	
Review 01:	Friday, 26/01/2015, 13:30-15:00	
Topic:	Discounted Cash Flow	

PART 2: PORTFOLIO THEORY

WEEK 3

- Lecture 06:** Tuesday, 01/03/2016 *Assignment 1 due/Assignment 2 distributed*
Topic: **Risk and Return**
Readings: Bodie, Kane & Marcus, Chapter 5
Brealey & Myers, Chapter 7
- Lecture 07:** Thursday, 03/03/2016
Topic: **Portfolio Theory**
Readings: Bodie, Kane & Marcus, Chapter 6
Brealey & Myers, Chapter 8, 8.1
- Review 02:** Friday, 04/03/2016
Topic: **Portfolio Theory**

WEEK 4

- Case Study 01:** Tuesday, 08/03/2016
Topic: **Building Risk Diversifying Model**
Readings: The DDInvest Financial Investment JSC., FETP case study
N.X.Thanh, Lecture on Portfolio Theory
- Lecture 08** Thursday, 10/03/2016
Topic: **Capital Asset Pricing Model, CAPM**
Readings: Bodie, Kane & Marcus, Chapter 7, 7.1-7.3
Brealey & Myers, Chapter 8, 8.2-8.3
N.X.Thanh, Lecture on CAPM
- Review 03:** Friday, 11/03/2016
Topic: **CAPM**

WEEK 5

- Case Study 02:** Tuesday, 15/03/2016
Topic: **Estimating the Cost of Equity**
Readings: FPT Corporation, FETP case study
- Lecture 09** Thursday, 17/03/2016
Topic: **APT Model**
Readings: Bodie, Kane & Marcus, Chapter 7, 7.4-7.5
- Lecture 10** Friday, 18/03/2016
Topic: **Efficient market theory**
Readings: Bodie, Kane & Marcus, Chapter 8

PART 3: BOND ANALYSIS

WEEK 6

Lecture 11: Tuesday, 22/03/2016 *Assignment 2 due/ Assignment 3 distributed*

Topic: **Bonds and Bond Valuation (I)**

Readings: Bodie, Kane & Marcus, Chapter 10

Lecture 12: Thursday, 24/03/2016

Topic: **Bonds and Bond Valuation (II)**

Readings: Bodie, Kane & Marcus, Chapter 10

Review 04: Friday, 25/03/2016

Topic: **Bond Valuation**

WEEK 7

Lecture 13: Tuesday, 29/03/2016

Topic: **Bond Portfolio Management**

Readings: Bodie, Kane & Marcus, Chapter 11

Lecture 14: Thursday, 31/03/2016

Topic: **Guest lecture: Vietnamese bond market - Nguyen Tan Thang**

Readings: Bodie, Kane & Marcus, Chapter 8

Review 05: Friday, 01/04/2016 *Assignment 3 due*

Topic: **Mid-term review**

WEEK 8

Mid-term Exam: Friday, 08/4/2016, (8:30-11:30)

PART 4: STOCK ANALYSIS AND CORPORATE FINANCE

WEEK 9

Lecture 15: Tuesday, 12/04/2016

Topic: **Guest Lecture: Vietnamese stock market operation**

Trinh Hoai Giang

Readings:

WEEK 10

- Lecture 16:** Tuesday, 19/04/2016 *Assignment 4 distributed*
Topic: **Capital Structure**
Readings: Brealey & Myers, Chapter 17 & 18
- Lecture 17:** Thursday, 21/04/2016
Topic: **Behavioural Finance and Technical Analysis**
Readings: Bodie, Kane & Marcus, Chapter 9
- Lecture 18:** Friday, 22/04/2016
Topic: **Stocks and the Dividend Discounting Model**
Readings: Brealey & Myers, Chapter 4
N.X.Thanh, Lecture on Dividend Discounting Model

WEEK 11

- Lecture 19:** Tuesday, 26/04/2016
Topic: **Firm Valuation based on Cash Flow (I)**
Readings: Bodie, Kane & Marcus, Chapter 13
Damodaran, Chapter 15
N.X.Thanh, Firm Valuation bases on Cash Flow: a simple example
- Lecture 20:** Thursday, 28/04/2016
Topic: **Firm Valuation based on Cash Flow (II)**
Readings: Bodie, Kane & Marcus, Chapter 13
Damodaran, Chapter 15
N.X.Thanh, Firm Valuation bases on Cash Flow: a simple example
- Review 06:** Friday, 29/04/2016
Topic: **Firm Valuation based on Cash Flow**

WEEK 12

- Case Study 03:** Friday, 05/05/2016
Topic: **Valuing Vinamilk**
Readings: Vinamilk, FETP case study
- Case Study 03:** Friday, 06/05/2016
Topic: **Valuing Vinamilk (II)**
Readings: Vinamilk, FETP case study

PART 5: DERIVATIVES

WEEK 13

Lecture 21: Tuesday, 10/05/2016 *Assignment 4 due/Assignment 5 distributed*

Topic: **Forward and Future Contract (I)**

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

Lecture 22: Thursday, 12/05/2016

Topic: **Forward and Future Contract (I)**

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

Review 07: Friday, 13/05/2016

Topic: **Forward and Future Contract**

WEEK 14

Case Study 04: Tuesday, 17/05/2016

Topic: **Risk Management by Forward Contract**

Readings: Dozier Industries, G. Feiger and B. Jacquillat, International Finance, Allyn and Bacon, 1982

Lecture 23: Thursday, 19/05/2016

Topic: **Option Contract (I)**

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

Lecture 24: Friday, 20/05/2016

Topic: **Option Contract (II)**

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

WEEK 15

Lecture 25: Tuesday, 24/05/2016

Topic: **Option Contract (III)**

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

Review 08: Thursday, 26/05/2016

Topic: **Option Contract**

Review 09: Friday 22/05/2015 *Assignment 5 due*

Topic: **Final Exam Review**

WEEK 16

Final-term Thursday, 01/06/2016

Exam: