



University of  
**Strathclyde**  
Business  
School

## Department of Accounting and Finance

### AG312 Advanced Corporate Finance and Financial Markets

2024/25 Semester 1  
20 Module Credits

#### **Module Details**

##### **Module Description**

The module will cover financial markets, institutions, and instruments, process of financing of a corporate entity and some specialist topics (such as convertibles, real options, mergers and acquisitions international project appraisal) that are relevant for corporate decision making.

##### **Syllabus overview**

- Introduction to financial markets
- Introduction to investment banking and banking
- Overview of options from the point of view of corporate finance
- Real option pricing
- Hybrid capital
- International capital budgeting
- Introduction to Mergers and Acquisitions
- Discussion of research methods

##### **Teaching Hours**

Lectures: All weeks, Tuesdays and Thursdays 3-5pm in TL325 a&b.

Tutorials: Weeks 3, 5, 7, 9 and 11.

Please see the "Tutorial Sign Up" tab on the AG312 Myplace page here: [Course: AG312: Advanced Corporate Finance and Financial Markets | classes \(strath.ac.uk\)](https://strath.ac.uk/course/AG312/Advanced-Corporate-Finance-and-Financial-Markets/classes) for tutorial times/dates. All students are required to sign up for one tutorial slot per academic year. These are available on a first come first served basis.

Attendance at tutorials is compulsory and will be monitored. If your attendance is unsatisfactory then you will receive a warning letter, which will be retained in a departmental file. If you are absent from a tutorial or lab please email [sbs-accfin-admin@strath.ac.uk](mailto:sbs-accfin-admin@strath.ac.uk). If you are absent due to medical reasons please submit medical evidence or self-certificate via [Pegasus: Personal Circumstances Procedure | University of Strathclyde](#)

## **Prerequisites**

AG215 Business Finance or Equivalent

## **Contact Details**

Lecturer: Dr Devraj Basu

Room number: Stenhouse 3.12

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Office Hours: Tuesdays 1:30-2:30

Course Tutors: Yatian Zhang / Zhenjia Yang

E-mail: [yatian.zhang@strath.ac.uk](mailto:yatian.zhang@strath.ac.uk) / [zhenjia.yang@strath.ac.uk](mailto:zhenjia.yang@strath.ac.uk)

## **Module Learning**

### **Learning Objectives and Outcomes**

The following learning outcomes will contribute to your self-analysis and reflection in your Student's Personal Development Planning (SPDP). These learning outcomes will be assessed using the methods explained in the "Assessment" section in this Outline.

Subject-specific knowledge and skills

On completing this module the student will have the ability to:

- A1 Understand the reasons for the existence of financial markets and institutions and their roles.
- A2 Be familiar with the working of investment banking, equity, debt, currency and derivative markets
- A3 Understand the nature of financial regulation and the reasons for it
- A4 Understand how financial instruments are issued in the markets
- A5 Understand the theories, process and potential implications of mergers and acquisitions.
- A6 Understand the issues that are relevant for making an investment decision in
- A7 foreign markets.
- A8 Understand some of advanced issues in corporate finance such as real options, warrants and convertibles, event study methods etc.

Cognitive abilities and non-subject specific skills

During the module you will:

- B1 Develop problem solving skills.
- B2 Develop skills on report writing
- B3 Develop analytical skills in problem solving

## Achievement of learning outcomes

The achievement of learning outcomes will be measured through the group assignment and the final exam. The proposed group work covers a number of above principles, such as managing time & effort, encourage interaction and dialogue around learning, facilitate the development of self-assessment and reflection in training, support the development of learning communities, provide information to teachers that can be used to shape teaching. Since we will be giving feedback on the work it will help clarify what good performance is and provide opportunities to close any gap between current and desired performance. The final exam also will cover most of the above.

## **Module Structure**

### **Timetable**

#### Lecture Programme

- Lecture 1. Introduction to Financial Markets and instruments
- Lecture 2. Investment banking and issuing of new securities
- Lecture 3. Banking regulations and risk management of banks
- Lecture 4. Real Options: Introduction
- Lecture 5. Real Options: Valuation (Debt, Equity, Derivatives markets, and Instruments)
- Lecture 6. Real Options: Valuation
- Lecture 7. Convertible bonds
- Lecture 8. International capital budgeting / Introduction to M&As
- Lecture 9. Mergers and Acquisitions
- Lecture 10. Event Study method

#### Workshop Programme

- Workshop 1. Introduction to Financial Markets and instruments (continue)
- Workshop 2. Investment banking (continue)

Workshop 3. Banking regulations (continue)

Workshop 4. Securitized lending

Workshop 5. Shadow banking

Workshop 6. Regulations of shadow banking

Workshop 7. Financial Crisis of 2007/2008

Workshop 8. Group presentation and essay submission

Workshop 9. Q&As

Workshop 10. Exam revision

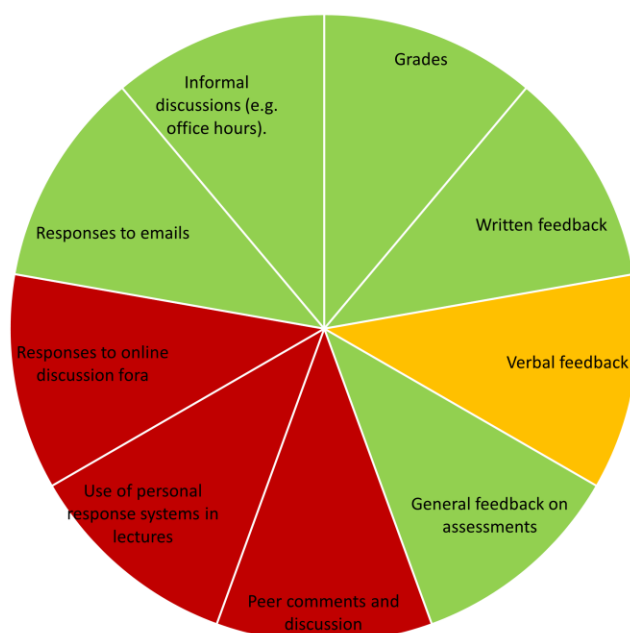
### **Assessment and Feedback Details**

1. Group Assignment worth 40%. Due: 11<sup>th</sup> of November 2024. Feedback/Marks will be released on or before Monday 2<sup>nd</sup> of December 2024.
2. Final Exam worth 60%. Date: During semester 1 exam diet.

An overall weighted average mark of 40% is required to pass the module.

It is a requirement for course completion to submit all assessed coursework. Non-submission of any part will result in an overall mark of zero being awarded for the module.

The following forms of feedback will assist you in this module:



## **Artificial Intelligence**

You are not permitted to use Gen-AI tools for this module unless you are a student with an adjustment report on Pegasus where this is explicitly specified as a 'reasonable adjustment'. Any student suspected of using such tools will be subject to investigation outlined in the [Student Discipline Procedure - Academic Misconduct.pdf \(strath.ac.uk\)](#) process.

## **Reading List**

Please refer to the AG312 Myplace page to access the Reading List.

## **UG Module Manual (1<sup>st</sup>-3<sup>rd</sup> Year)**

Please refer to the accounting and finance UG manual module for the following ([Years 1-3 Module Manual.docx](#)):

- Tutorial Attendance
- Useful Contacts
- Penalties for Late Submission
- Feedback
- Compensation Scheme
- Resit Policy
- Reassessment
- Universal Marking Guide
- Useful Links