

Financial Management

FIN-ISS202

Course Description

This course is designed to provide managers with a foundation in the key concepts underlying the analysis and execution of financial decisions. The course will blend theory and practice.

Required Texts

Fundamentals of Corporate Finance, 5th edition by Jonathan Berk and Jarrad Harford

Additional Reading materials will be provided during lectures

Prerequisite

Financial Accounting, Principles of Macroeconomics and Principles of Microeconomics

Course Requirements

| Course Work | Weight |
|-------------------------------|---------------|
| Midterm Exam | 30% |
| Final Exam | 40% |
| Homework and Quizzes | 10% |
| Case Studies and Term Project | 20% |

Learning Outcomes

- Learn fundamental concepts and tools for valuation of assets and financial products
- Study diversification and risk preferences and its impact upon personal and corporate investment choices
- Develop an understanding of modern portfolio theory and investments
- Obtain an understanding how to use capital budgeting techniques to rank investment projects and learn about factors that determine how firms finance their operations
- Learn how to use Excel and the Financial Calculator to analyze and evaluate investment and corporate choices

Evaluation and Grading

| | | | | | |
|----|--------|----|-------|----|-------|
| A | 93-100 | B- | 80-82 | D+ | 67-69 |
| A- | 90-92 | C+ | 77-79 | D | 63-66 |
| B+ | 87-89 | C | 73-76 | D- | 60-62 |
| B | 83-86 | C- | 70-72 | F | 0-59 |

Course Hours

The course has 20 class sessions in total. Each class session is 150 minutes in length, for a total of 3000 minutes of in-class time. Students are expected to spend 15-20 hours per week outside of class. The University awards **4** credits for this course. Different universities may count course credits differently. Consult officials at your own home institution.

Attendance

Occasionally, due to illness or other unavoidable circumstance, a student may need to miss a class. The University's policy requires a medical certificate to be excused. Any absence may impact on the student's grade. Moreover, **the University's policy is that a student who has more than 3 absences will fail the course. Arriving late or leaving early will count as a partial absence.**

Academic Honesty

The University expects all students to do their own work. Instructors will fail assignments that show evidence of plagiarism or other forms of cheating and will also report the student's name to the University administration. A student reported to the University for cheating is placed on disciplinary probation; a student reported twice is suspended or expelled.

Disability Accommodation

Any student who needs special accommodation due to the impact of disability should inform the University within 10 days before the program starts.

Course Schedule

Lecture 1

Introduction to the course
Corporate Finance and the Financial Manager

Lecture 2

Introduction to Financial Statement Analysis

Lecture 3

Time Value of Money

Lecture 4

Interest Rates

Lecture 5

Bonds

Lecture 6

Stock Valuation

Lecture 7

Investment Decision Rules

Lecture 8

Fundamentals of Capital Budgeting

Lecture 9

Risk and Return in Capital Markets

Midterm Exam

Lecture 10

Systematic Risk and the Equity Risk Premium

Lecture 11

The Cost of Capital

Lecture 12

Raising Equity Capital

Lecture 13

Debt Financing

Lecture 14

Capital Structure

Lecture 15

Payout Policy

Lecture 16

Financial Modeling and Pro Forma Analysis
Working Capital Management

Lecture 17

Short-Term Financial Planning

Lecture 18

Option Applications and Corporate Finance

Lecture 19

Mergers and Acquisitions

Lecture 20

International Corporate Finance

Final Exam