

Introduction to Finance

FIN-ISS104

Course Description

This course is an introduction to the field of finance. The following topics will be covered: The financial system, financial environment, financial statements, the time value of money, discounted cash flows and valuation, risk and return, bond valuation and the structure of interest rates, share valuation, capital budgeting, and capital raising. MS Excel will be utilized in this course.

Required Texts

Fundamentals of Corporate Finance, 4th Edition by Parrino, Au Yong, Morkel-Kingsbury, James, Mazzola, Murray, Smales, Wei

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	10%
Case Studies	20%

Learning Outcomes

- Understand the differences between finance, accounting and economics disciplines.
- Use excel as a tool for financial modeling and be able to format for ease of presentation. Compute the future value and present value of an investment or project that involves single or multiple year cash flow(s).
- Know how to evaluate, value and trade (long and short) securities, including stocks, bonds and mutual funds.
- Read and analyze financial statements.
- Perform other financial analyses such as ROI, payback and breakeven.

- Create financial models and budgets.
- Understand how finance is applied in entrepreneurship and overall strategic business decisions.

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

Lecture 2

The Financial Manager and the Company

Lecture 3

The Financial Environment and the Level of Interest Rates

Lecture 4

The Financial Environment and the Level of Interest Rates

Lecture 5

Financial Statements, Cash Flows and Tax

Lecture 6

Analysing Financial Statements

Lecture 7

The Time Value of Money

Lecture 8

The Time Value of Money

Lecture 9

The Time Value of Money

Review for Midterm

Midterm Exam

Lecture 10

Discounted Cash Flows and Valuation

Lecture 11

Risk and Return

Lecture 12

Risk and Return

Lecture 13

Bond Valuation and the Structure of Interest Rates

Lecture 14

Share Valuation

Lecture 15

The Fundamentals of Capital Budgeting

Lecture 16

Cash Flows and Capital Budgeting

Lecture 17

Evaluating Project Economics and Capital Rationing

Lecture 18

The Cost of Capital

Lecture 19

The Cost of Capital

Lecture 20

Capital Raising

Final Exam