JINAN UNIVERSITY
Financial Management

**Lecturer:** Michael Barry  
**Time:** 13:20-15:20, Monday through Friday (June 20, 2016-July 22, 2016)  
**Teaching hour:** 50 hours  
**Credit:** 4  
**Location:** Management School  
**Office:** Management School 518  
**Office hour:** By Appointment  
**E-mail:** barry@msmary.edu

**Course Description**

Students will use various techniques to assess alternative investment opportunities and different financing methods. Specialized skills in corporate financial management are developed through the application of techniques such as the discounted cash flow model, capital structure model, dividend valuation model, capital asset pricing model, and option pricing models. Areas covered included working capital management, capital budgeting, capital structure and agency conflicts, and dividend payout policy.

**Required Textbook**


**Course Hours**

The course has 25 sessions in total. Each class session is 100 minutes in length. The course meets
from Monday to Friday.

**Grading Policy**

<table>
<thead>
<tr>
<th>Component</th>
<th>Weightage</th>
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</thead>
<tbody>
<tr>
<td>Quizzes: Four quizzes</td>
<td>20%</td>
</tr>
<tr>
<td>Exams: Two exams</td>
<td>60%</td>
</tr>
<tr>
<td>Presentation:</td>
<td>10%</td>
</tr>
<tr>
<td>Attendance: 0.5% per day attended</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Quizzes: For this five-week course, there will be a Quiz on the Monday of each week commencing in Week 2. Each Quiz is worth 5%.

Exams: Exam 1 will be held on the Friday of Week 3. Exam 2 will be held on the Friday of Week 5. Each Exam is worth 30%.

Presentation: Students will be required to deliver a presentation to the class on a company listed in the S & P Top 50. This presentation will take place in the last week of classes. The day of presentation is dependent upon the class size. A written summary is also required.

Attendance: Students are awarded 0.5% for each day attended up to a maximum of 10%. Attendance scores are not awarded on Exam days.

**Grading Scale**

The instructor will use the grading system as applied by JNU:

<table>
<thead>
<tr>
<th>Definition</th>
<th>Letter Grade</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>A</td>
<td>90-100</td>
</tr>
<tr>
<td>Good</td>
<td>B</td>
<td>80-89</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>C</td>
<td>70-79</td>
</tr>
<tr>
<td>Poor</td>
<td>D</td>
<td>60-69</td>
</tr>
</tbody>
</table>
Failed | E | Below 60

**Course Schedule**

1 Introduction
   1.1 Objectives of the firm
   1.2 Understanding investments
   1.3 Investment alternatives

2 Fundamental Concepts
   2.1 Time value of money and Net Present Value
   2.2 Valuation of securities
   2.3 Risk and return
   2.4 Cash flow analysis
   2.5 Cost of Capital

3 Portfolio Management and Capital Market Theory
   3.1 The returns and risks from investing
   3.2 Portfolio Theory
   3.3 Portfolio Management
   3.4 Asset Pricing Models
   3.5 Evaluation of investment performance

4 Long-Term Financing Decisions
   4.1 Equity financing
   4.2 Long-term liability
   4.3 Term structure of interest rate

5 Working Capital Management
   5.1 Working capital policy
   5.2 Management of short-term assets
   5.3 Short-term financing

6 Derivatives
   6.1 Forward Contracts, Futures Contracts, Options Contracts
   6.2 Hedging, Speculation, and Arbitrage with Forward and Futures Contracts

7 Common Stocks: Analysis, valuation, and Management
7.1 Common stock valuation
7.2 Common stocks: Analysis and strategy
7.3 Market Efficiency

8 Fixed-income securities: Analysis, valuation and management
8.1 Bond Yields and Prices
8.2 Bonds: Analysis and strategy

References and Recommended Readings


Academic Honesty

Jinan University defines academic misconduct as any act by a student that misrepresents the students’ own academic work or that compromises the academic work of another scholastic misconduct includes (but is not limited to) cheating on assignments or examinations; plagiarizing, i.e. misrepresenting as one’s own work any work done by another; submitting the same paper, or substantially similar papers, to meet the requirements of more than one course
without the approval and consent of the instructors concerned; sabotaging another’s work within these general definitions, however, Instructors determine what constitutes academic misconduct in the courses they teach. Students found guilty of academic misconduct in any portion of the academic work face penalties ranging from lowering of their course grade to awarding a grade of F for the entire course.