

0201F300

Financial Management

Instructor: TBA

Time: Monday through Friday (July 1, 2019 - July 19, 2019)

Office Hours: 2 hours (according to the teaching schedule)

Contact Hours: 60 (50 minutes each)

Credits: 4

E-mail: TBA

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(s)

Charles P. Jones, *Investments: Analysis and Management*, 12th edition, Wiley 2013.
ISBN 978-1118363294

References and Recommended Readings

Brealey, R. A., Myers, S. C., and F. Allen, 2007, *Principles of Corporate Finance*, 10th edition, McGraw-Hill

Financial Management: Theory and Practice (12th Edition), Eugene F. Brigham and Michael C. Ehrhardt, Thompson/South-Western, 2008, ISBN: 0-324-42269-5.

Ross, Stephen, Westerfield, Randolph and Jordan Bradford, *Fundamentals of Corporate Finance*, Irwin McGraw-Hill, latest edition

Brigham & Houston, *Fundamentals of Financial Management*, Thomson 10th Edition, A Random Walk Down Wall Street, Burton G. Malkiel, WW Norton & Company, Inc., New York, 1999, ISBN: 0-393-04781-4

Barbarians at the Gate: The Fall of RJR Nabisco, Bryan Burrough and John Helyar, HarperCollins, New York, 1991, ISBN: 0-06-016172-8.

Beating the Street, Peter Lynch (with John Rothchild), Simon & Schuster, Inc., New York, 1993, ISBN: 0-671-75915-9.

Big Deal: 2000 and Beyond, Bruce Wasserman, Warner Books, New York, 2000, ISBN: 0-446-52642-8.

Prerequisites

No prerequisites

Course Schedule

Please note that the schedule is meant to give an overview of the major concepts this course. Changes may occur in this calendar as needed to aid in the student's development.

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

Course Requirements

1. Attendance will be taken at the beginning of each class.
2. Students are expected to read the required readings prior to the class session in which they are discussed.
3. Class Conduct: Consistent, respectful and informed participation is expected from every student in the course. This includes:
 - * Respectful discussion that avoids personal history;
 - * No email or Internet usage during class;
 - * Cell phones turned off when class begins.
4. I will respond to emails in a timely manner. It is best to make an appointment or speak to me after lecture.
5. It is your responsibility to keep me updated with attendance, email, etc.
6. Please check your email regularly for instructions and readings.

Grading Policy

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.

Participation

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

Type	Details	Percentage
Quizzes	4 quizzes	20%
Exams	2 exams	60%
Attendance	0.5% per day attended	10%
Presentation		10%
Total		100%

Grading Scale

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

Definition	Letter Grade	Score
Excellent	A	90~100
Good	B	80~89
Satisfactory	C	70~79
Poor	D	60~69
Failed	E	Below 60

Attendance

Attendance is mandatory in the class. It would be recorded each class and forms part of students` participation record. Students should inform the instructor at the earliest opportunity if they need to ask for a leave. All absences may have negative effect on students` final grades. Any students with more than three unexcused absences will automatically fail the course.

Academic Integrity

As members of the Jinan University academic community, students are expected to be honest in all of their academic coursework and activities. Academic dishonesty, 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 a substantially similar paper, to meet the requirements of more than one course without the approval and consent of the instructors concerned; or

sabotaging other students' work within these general definitions. Instructors, however, 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 that range from the lowering of their course grade to awarding a grade of E for the entire course.