

# 0201F300

## Financial Management

**Instructor:** Talha Harcar

**Time:** Monday through Friday (June 15, 2020 - July 17, 2020)

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

**Contact Hours:** 60 (50 minutes each)

**Credits:** 4

**Location:** Huiquan Building

**Office:** Huiquan Building 518

### 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)

Robert Higgins, *Analysis for Financial Management*, McGraw-Hill Higher Education, 11th edition, 2015. ISBN: 9780077861780, 0077861787

### 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

Preparation in accounting.

## Course Hours

The course has 25 sessions in total. Each class session is 120 minutes in length. The course meets from Monday to Friday.

## Course Schedule

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

DATE	CHAPTER
Week 1:	<ul style="list-style-type: none"><li>• Monday, Introduction</li><li>• Tuesday-Wednesday, Interpreting Financial Statements (Chapter 1)</li><li>• Thursday, Evaluating Financial Performance (Chapter 2)</li><li>• Friday, Practice</li></ul>
Week 2:	<ul style="list-style-type: none"><li>• Monday-Tuesday, Quiz 1, Financial Forecasting (Chapter 3)</li><li>• Wednesday-Thursday, Managing Growth (Chapter 4)</li><li>• Friday, Practice</li></ul>
Week 3:	<ul style="list-style-type: none"><li>• Monday-Tuesday, Quiz 2, Financial Instruments and Markets (Chapter 5)</li><li>• Wednesday-Thursday, The Financing Decision (Chapter 6)</li><li>• Friday, Midterm Exam</li></ul>
Week 4:	<ul style="list-style-type: none"><li>• Monday-Tuesday, Quiz3, Discounted Cash Flow Techniques (Chapter 7)</li><li>• Wednesday-Thursday, Risk Analysis in Investment Decisions (Chapter 8)</li><li>• Friday, Practice</li></ul>
Week 5:	<ul style="list-style-type: none"><li>• Monday – Tuesday, Quiz 4, Business Valuation and Corporate Restructuring (Chapter 9)</li><li>• Wednesday, How the Market Works? Presentations</li><li>• Thursday, Final Exam</li></ul>

## 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

Type	Percentage
Quizzes (4 quizzes)	20%
Exams (2 exams)	50%
How the Market Works	15%
Attendance and Participation	15%

**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 Thursday of Week 5. Each Exam is worth 25%.

**How the Market Works:** Throughout the course, students will take part in a simulation using the [HowtheMarketswork.com](http://HowtheMarketswork.com) website. Students will be given a notional \$100,000 to invest as they please in the stock market. Students will be asked to report their positions, gains and losses, on a weekly basis. This stock market game will be the crux of our practical application of theory throughout the course.

### Attendance and Participation

Students are awarded 0.5% for each day attended up to a maximum of 10%.

## 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. Attendance scores are not awarded on Exam days. Attendance and Participation: You are expected to attend every class. You are allowed one unexcused absence without penalty. Students will be asked to drop the course if you they miss more than three (3) class periods with unexcused reasons. I encourage all of you to participate in class lectures and discussions and raise questions concerning the understanding of lectures. I will credit your final grade according to my general impression of your participation and your attendance.

## 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.