

Capital University of Economics and Business

Overseas Chinese College

Course Syllabus

<u>Year and Semester</u>	2020 Spring (March 2, 2020— July 12, 2020)
<u>Course Name</u>	Financial Management
<u>Course Code</u>	CFIN311
<u>Course Type</u>	<input type="checkbox"/> General Education (Required) <input type="checkbox"/> General Education (Elective) <input checked="" type="checkbox"/> Professional Course (Required) <input type="checkbox"/> Professional Course (Elective) <input type="checkbox"/> Basic Disciplinary Course
<u>Course Credits</u>	3
<u>Course Hours</u>	45
<u>Prerequisites</u>	Finance
<u>Instructor</u>	Manqiu Wei (Eunice Wei)
<u>Contact Information</u>	Office: C203 Tele: (010)8395 1085 Email: eunicewei2013@163.com
<u>Office Hour</u>	M 13:30-15:30 T 13:00-15:00 F 13:00-15:00
<u>Learning Centre</u>	M 18:00-20:00 TH 10:00-12:00
<u>Grade/Section</u>	2017BA Y01
<u>Course Time/Place</u>	T: 10:00—12:00 / BX111 TH:9:00—9:50 / BX111
<u>Textbook</u>	Stephen A. Ross. <i>Corporate Finance, 11th Edition</i> , China Machine Press, Beijing, ISBN: 978-7-111-58856-6

Reference Books

ACCA Financial Management, BPP Learning Media, 2019, ISBN 978-1-5097-1680-7

Course Description

Financial Management focuses on the tools necessary to perform the job of Corporate Financial Officer. In today's capital markets, financing decisions have become challenging. Firms use financial derivatives and complex project structures (e.g. project finance) to allocate risks and shape incentives. Moreover, firms raise capital efficiently by tailoring securities to particular investors' needs, or by exploiting tax, regulatory, or other arbitrages. Early sessions in this course shows tools to analyze the capital structure and dividend policy. The remainder of the course will draw upon the necessary points to raise long-term finance and short-term finance.

Student Learning Objectives

To complete this course successfully, students must demonstrate a good grasp and understanding of the following areas of financial management:

- Short-term finance;
- Cash management;
- Credit and inventory management.

- Cost of capital and valuation;
- Efficient capital markets;
- Capital structure;
- Dividend policy;
- Valuation and capital budgeting
- Leasing;

Website Source

1. <https://finance.yahoo.com>
2. <http://www.wind.com.cn>
3. <http://www.cmegroup.com>
4. <http://www.szse.cn>
5. <http://www.sse.com.cn>

Teaching Methods

This course contains lectures, class discussions, homework, quizzes, presentation and exams. Textbook content will be introduced first. Then real case and practice questions will be delivered to students as a way to test their understanding of the knowledge. This will require individual or group assignment in or after class.

Grade Criterion

Component	Weight	Description
Final Exam	20%	A cumulative final examination will be given based on all of the contents of the class. The exam paper may be composed of multiple-choice questions, short answer questions, essay questions, problems. Students should rely primarily on homework assignments to give them a sense of what they may see for material on exams.
Mid-Term Test	20%	A cumulative midterm test will be given based on all of the contents of the class. The exam paper may be composed of multiple-choice questions, short answer questions, essay questions, problems. Students should rely primarily on homework assignments to give them a sense of what they may see for material on exams.
Homework	15%	Most of the assigned homework is taken from the Exercises in the textbook. Assignments will be collected at the clearly stated date. Late assignments will not be accepted. The graded assignments will be kept by the tutor for reference and won't be returned to students.
Quizzes	15%	There will be at least 2 quizzes during the semester. Quizzes may or may not be announced in advance. It may also be used as a way to check the attendance. Quizzes will test your knowledge of both concepts and the application of those concepts.
Presentation	10%	The students will be divided into several groups to prepare a presentation. Each student is required to be involved in the presentation. The topics can be selected from the textbook or lectures or course related materials. Each group needs to finish a PPT related to the topic which is

		given and hand in the related resources to the teacher before the presentation.
Participation	10%	Individuals will be asked to participate individually in a question and answer at least 5 times during the semester. The performances should be counted in their participation.
Attendance	10%	Refer to attendance policy listed below
Total	100%	

Detailed Grade Computation

	Before Midterm	After Midterm
Attendance	5%	5%
Participation	5%	5%
Homework	5%	10%
Quizzes	5%	10%
Presentation		10%
Midterm test	20%	
Final exam		20%
Total	40%	60%

Grading Policy

A+ 97-100	A 93-96	A- 90-92	B+ 87-89	B 83-86	B- 80-82
C+ 75-79	C 70-74	C- 67-69	D+ 63-66	D 62-60	F 0- 59

Exam Schedule

Final Exam: June 15-19, 2020

Assessment of Student Performance

☞ Self-Study and Reading ability Practice

Instructor will give out the chapters or the reference books to read and use class hours to have discussion; students should be able to show a proactive attitude and ability for self-study and reading. Knowledge and oral English will be elements of homework or presentation score.

☞ Homework

Students should finish their homework by themselves. Copying from others will be treated as cheating and the homework scores will be lowered. Students should hand in all assignments on time. Late assignments will be accepted at the discretion of the instructor (i.e., when the student was ill or had an excused absence). Late assignments without reasonable proof will be reduced in score by 50%.

☞ Attendance

Because the course covers a great deal of material, attending every class session is very important for performing well.

- ♦ Being late for 15 minutes or more is considered an absence.
- ♦ Five hours or above of unexcused absences will result in the lower level of the final grade by one grade band (e.g. from C – to D +). Any excused absence must be discussed directly with the

teacher.

- ♦ Absence which is more than 1/3 of the total teaching hours will cause an F (a failing grade) directly.

But students are welcome to continue attending classes.

- ♦ An incomplete grade (I) will be considered in case of medical or family emergencies.

☞ Participation

- ♦ Students should participate in classes actively. Half of participation grade is determined by their presentation in class. They are encouraged to ask questions relevant to the subject and express their own opinions. Every student should respect the ideas, opinions, and questions of their classmates.
- ♦ Students should also use office hours to ask questions or talk with the instructor for good communication and effective learning.
- ♦ Frequent visiting the instructor and chatting in English during office hours is highly recommended.
- ♦ Any misbehavior and non-class related activities in class will result in the lower level of the participation grade, including ringing cell phones.
- ♦ All above behaviors will be solely evaluated by the instructor for scoring.

☞ Textbook

Students must bring the textbook to class.

Topical Course Outline

Week	Date	Topics	Homework
1	Mar.3	<ul style="list-style-type: none"> ● Syllabus ● Chapter 26 Short-term finance and planning 1 Tracing Cash and Net Working Capital 2 The Operating Cycle and the Cash Cycle (recap chapter 3 financial ratios/Textbook) 3 Short-term financing policies 	
	Mar.5	<ul style="list-style-type: none"> 4 Cash Budgeting 5 Short-Term Financial Plan 	—
2	Mar.10	<ul style="list-style-type: none"> ● Chapter 27 Cash management 1 Reasons for Holding Cash 2 Ways to invest idle cash ● Chapter 28 Credit and inventory management 1 Credit and Receivables 2 Terms of the Sale 3 Analyzing Credit Policy 4 Optimal Credit Policy 	
	Mar.12	<ul style="list-style-type: none"> 5 Inventory Management 6 Inventory Management Techniques 	—
3	Mar.17	<ul style="list-style-type: none"> ● Comprehensive Exercises and explanations for chapter 26/27/28 	
	Mar.19	<ul style="list-style-type: none"> ● Chapter 13 Risk, cost of capital, and valuation 1 Estimating the cost of equity capital with the CAPM 2 Estimation of Beta 3 Determinants of Beta 4 The dividend discount model approach 	

4	Mar.24	5 Cost of fixed income securities 6 The weighted average cost of capital (WACC) 7 Valuation with WACC 8 Flotation costs and the WACC	
	Mar.26	● Comprehensive Exercises and explanations for chapter 13	
5	Mar. 31	● Chapter 14 Efficient capital markets and behavioral challenges 1 The Different Types of Efficiency 2 The Behavioral Challenge to Market Efficiency ● Chapter 16 Capital Structure 1 Financial Leverage and Firm Value 2 Modigliani and Miller's Theory	
	Apr.2	3 Tax and value of the Levered Firm	
6	Apr.7	● Chapter 17 Capital structure: limits to the use of debt 1 Costs of Financial Distress 2 Integration of Tax Effects and Financial Distress Costs 3 The Pecking-Order Theory 4 How Firms Establish Capital Structure	
	Apr.9	● Comprehensive Exercises and explanations for chapter 17	
7	Apr.14	● Chapter 18 Valuation and capital budgeting for the levered firm 1 Adjusted Present Value (APV) method 2 APV Example	
	Apr.16	3 Flows to Equity (FTE) approach 4 WACC method	
8	Apr.21	● Comprehensive Exercises and explanations for chapter 18	
	Apr.23	● Midterm Revision & Quiz 1	
9	Apr.28	● Mid-term Test	
	Apr.30	● Chapter 19 Dividends and other payouts 1 Different Types of Payouts 2 Standard Method of Cash Dividend Payment	
10	May.5	3 Repurchase of Stock ● Comprehensive Exercises	
	May.7	Labour Day Holiday (tentative)	
11	May.12	● Chapter 21 Leasing 1 Different types of leases. 2 The Cash Flows of Leasing 3 Analysis of the Lease-versus-Buy Decision	
	May.14	● Comprehensive Exercises for chapter 21	
12	May.19	● Comprehensive Exercises	Textbook Questions
	May.21	● Final Revision	
13	May.26	● Final Revision	
	May.28	● Quiz 2	
14	June.2	● Presentation	
	June.4	● Presentation	
15	June.9	● Presentation	
	June.11	● Presentation	

Note: Some chapters or sections may leave for self-study, this is the students' duty to learn and understand, they may also be included in the quizzes or exams.

A review in Chinese may be held during L.C. and O.H. in the semester.

Teacher's Office Hour

- ♦ The instructor's office hour is shown in the front of the office door.
- ♦ Students are suggested to use the instructor's office hour and learning center to ask questions or talk with the instructor once at least per week for good communication and effective learning, which is recorded in the students' participation.
- ♦ The time can be scheduled by instructors or students, or both.

Cheating and Plagiarism

Cheating is not tolerated. Any student caught cheating on a quiz; test or exam will be given a mark of zero (0) for the particular work. At the beginning of the semester the definition of plagiarism will be carefully explained, when any thoughts or writings of another person are used, they must be clearly identified (usually one uses quotation marks) and the source notes. **If any student is caught cheating on any homework assignment, the highest score the student can earn in that course is a "C".**

Important Dates

Spring Semester, 2020	March 2, 2020— July 12, 2020
March 2	Classes Begin
April.5	Qing Ming Festival (tentative)
Apr.17	Spring Sports
May.1	Labor's Day Holiday (tentative)
June 15-19	Final Exam Period
June 25	Dragon-Boat Festival

Note: This syllabus is tentative and may be changed or modified throughout the semester. All students will be notified and a new syllabus will be given.

Instructor: Eunice Wei

Department Head: _____

