

# Capital University of Economics and Business

## Overseas Chinese College

### Course Syllabus

<b>Year and Semester</b>	2023 Fall					
<b>Course Name</b>	Financial Management					
<b>Course Code</b>	MA301					
<b>Course Type</b>	<input type="checkbox"/> General Education (Required)		<input type="checkbox"/> General Education (Elective)			
	<input checked="" type="checkbox"/> Basic Disciplinary Course		<input type="checkbox"/> Professional Course (Required)			
	<input type="checkbox"/> Professional Course (Elective)		<input type="checkbox"/> Professional Course (Expanded)			
	<input type="checkbox"/> Professional Course (Advanced)					
<b>Course Credits</b>	4					
<b>Course Hours</b>	Total Class Hours	64	Lecture Hours	64	Experiment (Computer) Hours	0
<b>Applicable object</b>	<input type="checkbox"/> Freshman <input type="checkbox"/> Sophomore <input checked="" type="checkbox"/> Junior <input type="checkbox"/> Senior					
	<input checked="" type="checkbox"/> Business Administration (Accounting)					
	<input type="checkbox"/> Information Management and Information Systems (Finance)					
<b>Prerequisites</b>						
<b>Instructor</b>	Xueying Zhu					
<b>Contact Information</b>	Office: C204					
	Tele: 83951085					
	Email: xyzhu1114@163.com					
<b>Office Hour</b>	M/ Th/ F: 9:00-10:00; M: 13:00-15:00; W: 11:30-12:30					
<b>Learning Centre</b>	M: 18:00-20:00 (Online); W: 9:30-11:30					
<b>Grade/Section</b>	2021BA					
<b>Course Time/Place</b>	W: 8:00-9:35; F: 9:55-11:30 (5#111)					
<b>Textbook</b>	Stephen A. Ross, Randolph W. Westerfield, Jeffrey Jaffe, Bradford D. Jordan, <i>Corporate Finance, 11th Edition</i> , 2018, China Machine Press, ISBN: 978-7-111-58856-6					

#### Reference Book

- SchweserNotes 2022 Level I CFA Book 3: *Corporate Finance*, Kaplan Inc. USA, ISBN: 978-7-5217-3266-5
- Richard A. Brealey, Stewart C. Myers, Franklin Allen, *Principles of Corporate Finance, 12th Edition*, 2017, McGraw-Hill Education, ISBN: 978-1-259-14438-7
- Jonathan Berk, Peter DeMarzo, *Corporate Finance, 4th Edition*, 2017, Person Education, ISBN: 978-1-292-16016-0

#### Course Description

This is a basic disciplinary course for students majoring in finance, accounting, economics, and management. This course emphasizes the modern foundation of financial theory and helps students understand theoretical knowledge through a large number of contemporary examples at home and abroad. The first half of this course will introduce tools for analyzing capital structure and dividend policy, and the rest will explain how to use the necessary points to raise long-term and short-term financing.

### Student Learning Objectives

On successful completion of this exam, candidates should be able to:

Knowledge	<ul style="list-style-type: none"> <li>◆ Master the basic concepts of financial management, such as: efficient capital markets, cash management, and credit and inventory management, etc.</li> </ul>
Capability	<ul style="list-style-type: none"> <li>◆ Calculate and interpret different methods of different types of project;</li> <li>◆ Analyze a company's cost of capital;</li> <li>◆ Compute the degree of three different leverages;</li> <li>◆ Evaluate a company's short term operation situation and compare with peer companies.</li> </ul>
Mindset	<ul style="list-style-type: none"> <li>◆ Be logical, methodical, consistent and accurate</li> <li>◆ Apply critical thinking in the process of decision making</li> </ul>

### Website Source

- <https://www.cfainstitute.org/>
- <http://www.szse.cn/>
- <http://www.sse.com.cn/>
- <http://www.bse.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, and preparation of financial statements. 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 that have been taught in class. The test paper may be mainly composed of multiple-choice questions.
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. Each group need 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.
<b>Total</b>	<b>100%</b>	

### **Detailed Grade Computation**

	<b>Before Midterm</b>	<b>After Midterm</b>
Attendance	5%	5%
Participation	5%	5%
Homework	5%	10%
Quizzes	5%	10%
Presentation		10%
Mid-Term Test	20%	
Final exam		20%
Total	40%	60%

### **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	Topics	Homework
1	<ul style="list-style-type: none"> <li>• Syllabus Explanation</li> <li>• Course Introduction</li> <li>● <b><u>Part One</u></b> <ul style="list-style-type: none"> <li>➤ <b>Chapter 1 Introduction to Corporate Finance</b></li> <li>1.1 What is corporate finance?</li> <li>1.2 The corporate firm</li> <li>1.3 The importance of cash flows</li> </ul> </li> </ul>	
	<ul style="list-style-type: none"> <li>1.4 the goal of financial management</li> <li>1.5 The agency problem and control of the corporation</li> <li>1.6 Regulation</li> </ul>	Homework for Ch1
2	<ul style="list-style-type: none"> <li>➤ <b>Chapter 2 Financial Statement and Cash Flows</b></li> <li>2.1 The balance sheet</li> <li>2.2 The income statement</li> <li>2.3 Taxes</li> </ul>	
	<ul style="list-style-type: none"> <li>2.4 Net working capital</li> <li>2.5 Cash flow of the firm</li> <li>2.6 The accounting statement of cash flows</li> <li>2.7 Cash flow management</li> </ul>	Homework for Ch2
3	<ul style="list-style-type: none"> <li>◇ Case Study of Chapter 2</li> <li>● <b><u>Part Two</u></b> <ul style="list-style-type: none"> <li>➤ <b>Chapter 4 Discounted Cash Flow Valuation</b></li> <li>4.1 Valuation: the one-period case</li> <li>4.2 The multiperiod case</li> <li>4.3 Compounding periods</li> </ul> </li> </ul>	
	<ul style="list-style-type: none"> <li>4.4 Simplifications</li> <li>◆ <b>Quiz 1</b></li> </ul>	Homework for Ch4
4	Mid-Autumn Festival	
5	National Day Holiday	
	➤ <b>Chapter 5 Net Present Value and Other Investment Rules</b>	

6	5.1 Why use net present value? 5.2 The payback period method 5.3 The discounted payback period method 5.4 The internal rate of return	
	5.5 Problems with the IRR approach 5.6 The profitability index 5.7 The practice of capital budgeting	Homework for Ch5
7	➤ <b>Chapter 7 Risk Analysis, Real Options, and Capital Budgeting</b> 7.3 Real options 7.4 Decision trees	Homework for Ch7
	● <b>Part Three</b> ➤ <b>Chapter 8 Interest Rates and Bond Valuation</b> 8.1 Bonds and bond valuation 8.2 Government and corporate bonds	Homework for Ch8
8	➤ <b>Chapter 9 Stock Valuation</b> 9.1 The present value of common stocks 9.2 Estimates of parameters in the dividend discount model	Homework for Ch9
	● <b>Part Four</b> ➤ <b>Chapter 11 Return and Risk: The Capital Asset Pricing Model (CAPM)</b> 11.1 Individual securities 11.2 Expected return, variance, and covariance 11.3 The return and risk for portfolios 11.4 The efficient set for two assets 11.5 The efficient set for many securities	
9	11.6 Diversification 11.7 Riskless borrowing and lending 11.8 Market equilibrium 11.9 Relationship between risk and expected return (CAPM)	Homework for Ch11
	◆ <b>Midterm Test</b>	
10	➤ <b>Chapter 12 An Alternative View of Risk and Return: The Arbitrage Pricing Theory</b> 12.1 Introduction 12.2 Systematic risk and betas 12.3 Portfolios and factor models	Homework for Ch12
	➤ <b>Chapter 13 Risk, Cost of Capital, and Valuation</b> 13.1 The cost of capital 13.2 Estimating the cost of equity capital with the CAPM 13.3 Estimation of beta 13.4 Determinants of beta	
11	13.5 The dividend discount model approach 13.6 Cost of capital for divisions and projects 13.7 Cost of fixed income securities 13.8 The weighted average cost of capital	Homework for Ch13

	<ul style="list-style-type: none"> <li>● <b>Part Five</b></li> <li>➤ <b>Chapter 15 Long-Term Financing</b></li> <li>15.1 Some features of common and preferred stocks</li> <li>15.2 Corporate long-term debt</li> </ul>	
12	15.3 Some different types of bonds 15.4 Bank loans	Homework for Ch15
	<ul style="list-style-type: none"> <li>➤ <b>Chapter 16 Capital Structure: Basic Concepts</b></li> <li>16.1 The capital structure question and the pie theory</li> <li>16.2 Maximizing firm value versus maximizing stockholder interests</li> </ul>	
13	16.3 Financial leverage and firm value 16.4 Modigliani and Miller: Proposition II (no taxes) 16.5 Taxes	Homework for Ch16
	◆ <b>Quiz 2</b>	
14	<ul style="list-style-type: none"> <li>➤ <b>Chapter 17 Capital Structure: Limits to the Use of Debt</b></li> <li>17.1 Costs of financial distress</li> <li>17.2 Description of financial distress costs</li> </ul>	
	17.4 Integration of tax effects and financial distress costs 17.7 The Pecking-Order Theory	Homework for Ch17
15	<ul style="list-style-type: none"> <li>➤ <b>*Leverage and Risk</b></li> <li>Basic concepts of leverage and risk</li> <li>Leverage</li> </ul>	
	Breakeven quantity ◆ <b>Presentations</b>	
16	◆ <b>Presentations</b>	
17	✓ <b>Review</b>	
	◆ <b>Final Exam</b>	

*Note: Xuexitong and the WeChat group will be used as the main teaching methods. The WeChat group will be mainly used to inform the students daily study activities and tasks. Xuexitong will be used as the main study platform to organize the study activities, including PPTs and some learning materials. Some chapters or sections may be left for self-study, which are the students' duty to learn and understand, they may also be included in the quizzes or exams.*

### 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**

<b>Midterm Test</b>	<b>Week 9</b>
<b>Final Exam</b>	<b>2024.01.03-01.12 (Refer to the notice of the Academic Affairs Office)</b>

***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:** \_\_\_\_\_

**Department Head:** \_\_\_\_\_

