
Capital University of Economics and Business

Overseas Chinese College

Course Syllabus

<u>Year and Semester</u>	2023 Spring (Junior)
<u>Course Name</u>	Financial Management
<u>Course Code</u>	MA301
<u>Course Type</u>	<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)
<u>Course Credits</u>	4
<u>Course Hours</u>	64
<u>Prerequisites</u>	
<u>Instructor</u>	Xueying Zhu
<u>Contact Information</u>	Office: C204 Email: xyzhu1114@163.com
<u>Office Hour</u>	M/ T: 09:00-10:00; W/ F: 10:00-12:00
<u>Learning Centre</u>	T: 13:00-15:00; T: 18:00-20:00 (Online)
<u>Grade/Section</u>	2020BA
<u>Course Time/ Place</u>	W& F: 08:00-09:35 (5#111)

Textbook

- Stephen A. Ross, Randolph W. Westerfield, Jeffrey Jaffe, Bradford D. Jordan, *Corporate Finance, 11th Edition*, 2018, China Machine Press, ISBN: 978-7-111-58856-6

Supplemental Readings

- 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

Website Source

- <https://www.cfainstitute.org/>
- <http://www.szse.cn/>
- <http://www.sse.com.cn/>
- <http://www.bse.cn/>

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

At the end of this course, students should be able to:

Knowledge:

- Master the basic concepts of financial management, such as: efficient capital markets, cash management, and credit and inventory management, etc.

Capability:

- Calculate and interpret different methods of different types of project;
- Analyze a company's cost of capital;
- Compute the degree of three different leverages;
- Evaluate a company's short term operation situation and compare with peer companies.

Mindset:

- Be logical, methodical, consistent and accurate
- Apply critical thinking in the process of decision making

Curriculum ideological and political education objective:

- Be integrity, ethical, confident
- Be cautious and corporative, keep communication with others
- Care about public interest

Teaching Methods

This course contains lectures, class discussions, homework, quizzes, presentation, test and exam.

Grade Criterion

Your grade will be determined based on the following:

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.
Midterm 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
Total	100%	

Detailed Grade Computation

Component	Weight	Before Midterm	After Midterm
Attendance	10%	5%	5%
Participation	10%	5%	5%
Homework	15%	5%	10%
Quizzes	15%	5%	10%
Presentation	10%		10%
Midterm Test	20%	20%	
Final Exam	20%		20%
Total	100%	40%	60%

Assessment of Student Performance

☞ Self-study and English skills

The instructor will give out the chapters or reference books to read and use class hours for lectures and class discussion; students should be able to show a proactive attitude and ability for self-study and reading. Demonstrating written or oral English skills will be elements of most components of the course assessment including homework and presentations.

☞ Attendance

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

- Being late by 15 minutes or more is considered an absence for that class. Each unexcused absence will result in your attendance score being reduced by one mark. Any excused absence must be discussed directly with the instructor.
- 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

Group discussion of the course material is an important part of the learning process in this course. Students are expected to make a meaningful contribution to the class, whether by asking questions, responding to questions, delivering presentations or contributing in other ways to class discussion.

All of the following behaviors will be evaluated by the instructor and used to determine the student participation score:

- Students should participate in classes actively. They are encouraged to ask questions relevant to the subject, answer questions, and express their own opinion.
- Students should respect the ideas, opinions, and questions of their classmates.
- Students should bring the textbooks and a calculator to class.
- Students should use office hours to ask questions or talk with the instructor for good communication and effective learning.
- Students should not misbehave or engage in non-class related activities in class.

☞ Homework

Students are required to submit weekly homework assignments. Homework questions are taken from exercises in the textbook. It is expected that students will finish the assigned homework by themselves and hand it in prior to the start of the relevant class.

Each homework assignment will be marked on a 0–1 scale with a combined maximum of 10 marks for all homework assignments. Late homework will not be accepted. Homework will not be returned to students. Copying from others will be treated as cheating and the homework scores will be lowered.

☞ Presentation

The students will be divided into groups to prepare a presentation. Each student is required to be involved in the presentation. Each group needs to finish a PPT related to their topic and submit it before their presentation.

☞ Quizzes/ Test and Exams

There are at least 2 quizzes, 1 midterm test and 1 final exam during the semester. Quizzes may or may not be announced in advance.

Unless otherwise noted in class, students are expected to memorize the formulas and computations used to solve problems. Anything said or presented in class, in the text, on homework, or previous quizzes or exams may be tested. Exam/quiz papers may be composed of multiple-choice questions, short answer questions, essay questions, and calculation problems. Students may not leave the room during an exam/quiz unless they are ready to turn in their paper. **All personal communication devices should be turned off and put away during class and exam/quiz time.**

If you do not take an exam/quiz at the scheduled time, you will automatically receive a zero for that exam. The purpose of this policy is fairness. If you experience a medical emergency or death in the family, you must notify the instructor prior to the exam/quiz. The reason for missing the exam and verification of that reason must be provided in writing.

Grading Scale

A+ 97-100 A 93-96 A- 90–92 B+ 87-89 B 83-86 B- 80–82

Exam Schedule

Midterm Test: April 14, 2023

Final Exam: June 5-9

Course Outline

Week	Date	Topics
1	2.15	<ul style="list-style-type: none"> ● Syllabus Explanation ● Course Introduction ➤ Chapter 1 Introduction to Corporate Finance 1.1 What is corporate finance? 1.2 The corporate firm 1.3 The importance of cash flows
	2.17	<ul style="list-style-type: none"> 1.4 the goal of financial management 1.5 The agency problem and control of the corporation 1.6 Regulation
4	3.8	<ul style="list-style-type: none"> ➤ Chapter 2 Financial Statement and Cash Flows 2.1 The balance sheet 2.2 The income statement 2.3 Taxes
	3.10	<ul style="list-style-type: none"> 2.4 Net working capital 2.5 Cash flow of the firm 2.6 The accounting statement of cash flows 2.7 Cash flow management
5	3.15	<ul style="list-style-type: none"> ➤ Chapter 3 Financial Statement Analysis and Financial Models 3.1 Financial statement analysis 3.2 Ratio analysis 3.3 The Dupont identity
	3.17	<ul style="list-style-type: none"> 3.4 Financial models 3.5 External financing and growth 3.6 Some caveats regarding financial planning models
6	3.22	<ul style="list-style-type: none"> ➤ Chapter 4 Discounted Cash Flow Valuation 4.1 Valuation: the one-period case 4.2 The multiperiod case 4.3 Compounding periods
	3.24	<ul style="list-style-type: none"> 4.4 Simplifications ◆ Quiz 1
7	3.29	<ul style="list-style-type: none"> ➤ Chapter 5 Net Present Value and Other Investment Rules 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
	3.31	<ul style="list-style-type: none"> 5.5 Problems with the IRR approach 5.6 The profitability index 5.7 The practice of capital budgeting

9	4.12	<p>➤ Chapter 8 Interest Rates and Bond Valuation</p> <p>8.1 Bonds and bond valuation 8.2 Government and corporate bonds 8.3 Bond Markets</p>
	4.14	<p>◆ Midterm Test</p>
10	4.19	<p>8.4 Inflation and interest rates 8.5 Determinants of bond yields</p>
	4.21	<p>➤ Chapter 9 Stock Valuation</p> <p>9.1 The present value of common stocks 9.2 Estimates of parameters in the dividend discount model</p>
11	4.26	<p>9.3 Comparables 9.4 Valuing stocks using free cash flows 9.5 The stock markets</p>
	4.28	<p>➤ Chapter 11 Return and Risk: The Capital Asset Pricing Model (CAPM)</p> <p>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</p>
12	5.5	<p>11.6 Diversification 11.7 Riskless borrowing and lending 11.8 Market equilibrium 11.9 Relationship between risk and expected return (CAPM)</p>
13	5.10	<p>➤ Chapter 12 An Alternative View of Risk and Return: The Arbitrage Pricing Theory</p> <p>12.1 Introduction 12.2 Systematic risk and betas 12.3 Portfolios and factor models</p>
	5.12	<p>12.4 Betas, arbitrage, and expected returns 12.5 The capital asset pricing model and the arbitrage pricing theory 12.6 Empirical approaches to asset pricing</p> <p>◆ Quiz 2</p>
14	5.17	<p>➤ Chapter 13 Risk, Cost of Capital, and Valuation</p> <p>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</p>
	5.19	<p>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</p>
15	5.24	<p>◆ Presentations</p>
	5.26	
16	5.31	<p>✓ Review</p>
	6.2	
TBA	June 5-9	<p>◆ Final Exam</p>

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.

Office Hours

- The instructor's office hours are shown at the front of the office door.
- Students should use the instructor's office hours and learning center to ask questions or talk with the instructor once per week for good communication and effective learning, which will count towards the students' participation score.
- The time can be scheduled by the instructor or student, or both.

Cheating and Plagiarism

Cheating and plagiarism are not tolerated. If any thoughts or writings of another person are used in a relevant assessment, they must be clearly identified (usually using quotation marks) and the source noted. Any student caught cheating or engaging in plagiarism on a relevant assessment will be given a mark of zero (0) for the particular work, and will be subject to disciplinary action in accordance with university policy.

Important Dates

Spring Semester, 2023	Feb 13, 2023 — July 2, 2023
Feb.11-12	Registration
Feb.13	Classes Begin
Mar.3	Last Day to Drop or Add a Course
Apr.5	Qing Ming Festival
Apr.7	Spring Sports
Apr.10-14	Midterm Test
Apr.21	Spring Sports
May 1	Labor Day
June 22	Dragon-Boat Festival
June 5-9	Final Exams (Sophomores and Juniors)
June 12-July 2	Social Practice (Sophomores and Juniors)
July 3	Summer Vacation Begins

Note: This syllabus is tentative and may be changed or modified throughout the semester. All students will be notified of any changes.

Instructor: _____

Department Head: _____

