
Capital University of Economics and Business

Overseas Chinese College

Course Syllabus

<u>Year and Semester</u>	2018 Fall (September 3, 2018 - January 4, 2019)		
<u>Course Name</u>	Finance		
<u>Course Code</u>	MFIN221		
<u>Course Type</u>	<input type="checkbox"/> General Education (Required) <input type="checkbox"/> General Education (Elective) <input type="checkbox"/> Professional Course (Required) <input checked="" type="checkbox"/> Professional Course (Elective) <input type="checkbox"/> Basic Disciplinary Course		
<u>Course Credits</u>	3		
<u>Course Hours</u>	48		
<u>Instructor</u>	Tom Spencer		
<u>Contact Information</u>	Office: C204 Tele: (010) 8395 1084 Email: thomas@cueb.edu.cn		
<u>Office Hour</u>	Tues: 10:00—12:00; Wed: 10:00—12:00; Thurs: 10:00—12:00		
<u>Learning Centre</u>	Tues: 18:00—20:00; Fri: 10:00—12:00		
<u>Course</u>	<u>Grade/Section</u>	<u>Place</u>	<u>Time</u>
	2017IT/Y03	5#204	Monday 10:10 – 12:00 Friday 13:30 – 14:20

Textbook

Stephen A. Ross, Randolph W. Westerfield, Bradford D. Jordan. *Fundamentals of Corporate Finance*, 10th Edition. HZ Books/McGraw Hill. ISBN 978-7-111-44907-2

Calculator

Texas Instruments BA II Plus Professional OR Texas Instruments BA II Plus

Course Description

This course is an introduction to the financial management of corporations. The aim is to provide a basic understanding of the important financial assets available in the capital markets as well as a basic knowledge of corporate financial management problems. You will develop the analytical skills for making corporate investment and financial decisions. Topics covered include the concepts of time value of money, discounted cash flow analysis and other valuation techniques for stocks and bonds; risk and return, and capital budgeting.

Student Learning Objectives

On successful completion of this course, you should be able to:

1. Understand financial statements and use the financial ratio to analyze a company and make comparison between a particular company and its industry;
2. Understand the time value of money and apply discounted cash flow techniques to problem solving;
3. Understand and make use of valuation models to value stocks and bonds;
4. Understand the risk and return relation and apply the proper theories and models to analyze financial securities; and
5. Understand the basic concepts of capital budgeting and how to make capital investment decisions.

Teaching Methods

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

Grade Criterion

Component	Weight	Description
Final Exam	20%	A final examination will be given based on all of the contents of the course. The exam paper may be composed of multiple-choice questions, short answer questions, essay questions, and calculation problems. Students should rely primarily on homework assignments and quizzes 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 the course. The test paper may be composed of multiple-choice questions, short answer questions, essay questions, and calculation problems.
Homework	10%	Most of the assigned homework is taken from the exercises in the textbook. Assignments will be collected on the date indicated. Late assignments will not be accepted. Graded assignments will be kept by the tutor for reference and won't be returned to students.
Quizzes	20%	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 needs to finish a PPT related to their topic and hand in the related resources to the teacher before the presentation.
Participation	10%	Group discussions of the course material are 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.
Attendance	10%	Refer to attendance policy listed below
Total	100%	

Detailed Grade Computation

	Before Midterm	After Midterm
Attendance	5%	5%
Participation	5%	5%
Homework		10%
Quizzes	10%	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

Midterm Test: October 29 - November 2, 2018

Final Exam: January 7 – January 11, 2019

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 marked 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. 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 and Calculator

Students must bring the textbook and calculator to class.

Course Outline

Week	Date	Schedule
1	Mon, 3 Sept	Part 1: Introduction Financial Management Decisions, and the Goal of Financial Management (Chapter 1.1-1.3)
	Fri, 7 Sept	Business Organisations, the Agency Problem, and Financial Markets (Chapter 1.4-1.5)
2	Mon, 10 Sept	Part 2: Working with Financial Statements Balance Sheet, and Income Statement (Chapter 2.1-2.3)
	Fri, 14 Sept	Cash Flow Statement (Chapter 2.4-2.5)
3	Mon, 17 Sept	Standardised Financial Statements, and Ratio Analysis (Chapter 3.1-3.3)
	Fri, 21 Sept	DuPont Identity, and Financial Statement Analysis (Chapter 3.4-3.5)
4	Mon, 24 Sept	<i>Mid autumn festival (tentative)</i>
	Fri, 28 Sept	<i>In-class Quiz</i>
5	Mon, 1 Oct	<i>National day holiday (tentative)</i>
	Fri, 5 Oct	Financial Planning (Chapter 4.1-4.2)
6	Mon, 8 Oct	The Percentage of Sales Approach (Chapter 4.3-4.5)
	Fri, 12 Oct	Part 3: Valuation of Future Cash Flows The Time Value of Money: Present and Future Values (Chapter 5)
7	Mon, 15 Oct	Valuing Multiple Cash Flows, and the Effect of Compounding (Chapter 6.1-6.3)
	Fri, 19 Oct	Loan Types (Chapter 6.4-6.5)
8	Mon, 22 Oct	Bond Valuation, Features, Ratings, and Markets (Chapter 7.1-7.4)
	Fri, 26 Oct	Inflation, and the Term Structure of Interest Rates (Chapter 7.5-7.8)
9	Mon, 29 Oct	Stock Valuation, Common and Preferred (Chapter 8.1-8.2)
	Fri, 2 Nov	Stock Markets (Chapter 8.3-8.4)
10	Mon, 5 Nov	<i>Midterm Test</i>
	Fri, 9 Nov	Part 4: Capital Budgeting NPV, and Other Investment Criteria (Chapter 9.1-9.4)
11	Mon, 12 Nov	IRR, and Other Investment Criteria (Chapter 9.5-9.8)
	Fri, 16 Nov	Estimating Project Cash Flows (Chapter 10.1-10.4)
12	Mon, 19 Nov	Operating Cash Flow, and Some Special Cases of DCF Analysis (Chapter 10.5-10.7)
	Fri, 23 Nov	Project Analysis and Evaluation (Chapter 11.1-11.4)
13	Mon, 26 Nov	Accounting, Cash, and Financial Break-Even Points, and Operating Leverage (Chapter 11.5-11.7)
	Fri, 30 Nov	<i>In-class Quiz</i>
14	Mon, 3 Dec	Part 5: Risk and Return Lessons from Capital Market History: Average Returns (Chapter 12.1-12.3)

	Fri, 7 Dec	Lessons from Capital Market History: Variability of Returns and EMH (Chapter 12.4-12.7)
15	Mon, 10 Dec	Return, Risk, Diversification (Chapter 13.1-13.5)
	Fri, 14 Dec	Systematic Risk, the Security Market Line, and CAPM (Chapter 13.6-13.9)
16	Mon, 17 Dec	Presentations
	Fri, 21 Dec	Presentations
17	Mon, 24 Dec	Presentations
	Fri, 28 Dec	Presentations

Note: 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 hours are shown on 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 is recorded in the students' participation.
- ◆ The time can be scheduled by instructors or students, 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

Fall Semester, 2018	August 31, 2018— January 13, 2019
Aug. 31	Registration
Sep.3	Classes Begin
Sep.7 - 20	Freshmen's Military Training
Sep.24	Classes Begin (Freshmen)
Sep.24	Mid-Autumn Festival (tentative)
Oct.1 - 5	National Day Holiday (tentative)
Oct. 29 - Nov. 2	Mid-term Exam
Jan.1, 2019	New Year's Day Holiday (tentative)
Jan.2-11	Final Exam Period
Jan.14	Winter 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: _____