

# Capital University of Economics and Business

## Overseas Chinese College

### Course Syllabus

<b><u>Year and Semester</u></b>	2019 Fall (September 2, 2018 - January 10, 2019)
<b><u>Course Name</u></b>	Finance
<b><u>Course Code</u></b>	BC301
<b><u>Course Type</u></b>	<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
<b><u>Course Credits</u></b>	3
<b><u>Course Hours</u></b>	51
<b><u>Prerequisites</u></b>	None
<b><u>Instructor</u></b>	Celia. Zhang
<b><u>Contact Information</u></b>	Office: C203 Tele: (010)83951085 Email: celia@cueb.edu.cn
<b><u>Office Hour</u></b>	M/T:8:00-10:00 TH: 11:00-12:00 F: 8:00-9:00
<b><u>Learning Centre</u></b>	W/TH: 8:00—10:00
<b><u>Grade/Section</u></b>	2018ACCA/Y01&Y02
<b><u>Course Time/Place</u></b>	M: 13:30—15:20 , W:10:00-11:00 / 5#210; ACCA Y01

#### **Textbook**

Stephen A. Ross, Randolph W. Westerfield, Bradford D. Jordan, *Fundamentals of Corporate Finance, 10th edition*, McGraw-Hill Press, ISBN: 978-7-111-44907-2

#### **Reference Book**

Frederic S. Mishkin, Stanley G. Eakins, *Financial Markets and institutions, 8<sup>th</sup> Edition*, China Renming University Press, Beijing, ISBN: 978-7-300-25854-6

#### **Course Description**

This course is an introduction to the financial management of corporations. Topics covered include time value of money, discounted cash flow valuation, interest rate and bond valuation, stock valuation, NPV and other investment criteria, risk, return, and the security market line.

#### **Student Learning Objectives**

After completing this course, students should be able to:

- Understand financial management functions, agency problems;
- Understand time value of money and apply discounted cash flow techniques;
- Describe characteristics of bonds, issuers, sectors and types of bonds
- calculate bond values and yields, understand interest rate risk;

- understand features of stocks, and apply valuation models to assess stocks;
- Apply NPV, IRR and other project techniques to project evaluation;
- Understand risk, return, and the security market line.

### **Website Source**

1. <http://www.szse.cn/>
2. <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**

<b>ç</b>	<b>Weight</b>	<b>Description</b>
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 that have been taught in class. The test paper may be mainly composed of multiple-choice questions and it should be completed within 50 minutes in class.
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
<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%
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: Oct.28-Nov.1, 2019;

Final Exam: January 1-10, 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	1	<b>Syllabus and Class Warm up</b> <b>CHAPTER 1</b> <b>INTRODUCTION TO CORPORATE FINANCE 1</b> 1.1 Corporate Finance and the Financial Manager 1.2 Forms of Business Organization 1.3 The Goal of Financial Management 1.4 The Agency Problem and Control	—
	2	<b>CHAPTER 1</b> <b>INTRODUCTION TO CORPORATE FINANCE 1</b> 1.4 The Agency Problem and Control 1.5 Financial Markets and the Corporation 1.6 Summary and Conclusions	—
2	1	<b>CHAPTER 5</b> <b>INTRODUCTION TO VALUATION: THE TIME VALUE OF MONEY</b> 5.1 Future Value and Compounding 5.2 Present Value and Discounting In-class practice	Ended Chapter Problem 5-7
	2	<b>CHAPTER 5</b> <b>INTRODUCTION TO VALUATION: THE TIME VALUE OF MONEY</b> 5.3 More about Present and Future Values 5.4 Summary and Conclusions	—
3	1	<b>CHAPTER 6</b> <b>DISCOUNTED CASH FLOW VALUATION</b>	Ended Chapter Problem 1-3

		6.1 Future and Present Values of Multiple Cash Flows 6.2 Valuing Level Cash Flows: Annuities and Perpetuities	
	2	<b>CHAPTER 6</b> <b>DISCOUNTED CASH FLOW VALUATION</b> 6.3 Comparing Rates: The Effect of Compounding 6.4 Loan Types and Loan Amortization	
4	1	<b>CHAPTER 6</b> <b>DISCOUNTED CASH FLOW VALUATION</b> 6.4 Loan Types and Loan Amortization 6.5 Summary and Conclusions (bilingual)	Ended Chapter Problem 6-8
	2	Quiz I	
5	1	— (National Day Holiday)	—
	2	— (National Day Holiday)	—
6	1	<b>CHAPTER 7</b> <b>INTEREST RATES AND BOND VALUATION</b> 7.1 Bonds and Bond Valuation 7.2 More about Bond Features 7.3 Bond Ratings	Ended Chapter Problem 7-10
	2	<b>CHAPTER 7</b> <b>INTEREST RATES AND BOND VALUATION</b> 7.4 Some Different Types of Bonds 7.5 Bond Markets	
7	1	<b>CHAPTER 7</b> <b>INTEREST RATES AND BOND VALUATION</b> 7.6 Inflation and Interest Rates 7.7 Determinants of Bond Yields	Ended Chapter Problem 15/19/27
	2	<b>CHAPTER 7</b> <b>INTEREST RATES AND BOND VALUATION</b> 7.7 Determinants of Bond Yields r 7.8 Summary and Conclusions (bilingual)	Chapter 7 Mini Case
8	1	<b>CHAPTER 8</b> <b>STOCK VALUATION</b> 8.1 Common Stock Valuation 8.2 Some Features of Common and Preferred Stocks	Ended Chapter Problem 3-8
	2	<b>CHAPTER 8</b> <b>STOCK VALUATION</b> 8.2 Some Features of Common and Preferred Stocks 8.3 The Stock Markets	
9	1	<b>CHAPTER 8</b>	Ended Chapter

		<b>STOCK VALUATION</b> 8.3 The Stock Markets 8.4 Summary and Conclusions	Problem 15-19
	2	<b>CHAPTER 8</b> <b>STOCK VALUATION</b> In Class Exercise	Ended Chapter Problem 20/25/30
10	1	<b>Exercise Revision</b>	—
	2	<b>Mid-Term Revision (Q&amp;A)</b>	—
11	1	<b>Mid-Term Exam</b>	—
	2	<b>Mid-Term Review</b>	
12	1	<b>CHAPTER 9</b> <b>NET PRESENT VALUE AND OTHER INVESTMENT</b> <b>CRITERIA</b> 9.1 Net Present Value 9.2 The Payback Rule	Ended Chapter Problem 7-12
	2	<b>CHAPTER 9</b> <b>NET PRESENT VALUE AND OTHER INVESTMENT</b> <b>CRITERIA</b> 9.3 The Discounted Payback 9.4 The Average Accounting Return	—
13	1	<b>CHAPTER 9</b> <b>NET PRESENT VALUE AND OTHER INVESTMENT</b> <b>CRITERIA</b> 9.5 The Internal Rate of Return 9.6 The Profitability Index	Ended Chapter Problem 18/20
	2	<b>CHAPTER 9</b> <b>NET PRESENT VALUE AND OTHER INVESTMENT</b> <b>CRITERIA</b> 9.7 The Practice of Capital Budgeting 9.8 Summary and Conclusions	Ended Chapter Problem 22-26
14	1	<b>CHAPTER 13</b> <b>RETURN, RISK, AND THE SECURITY MARKET</b> <b>LINE</b> 13.1 Expected Returns and Variances 13.2 Portfolios 13.3 Announcements, Surprises, and Expected Returns	Ended Chapter Problem 3-5
	2	<b>CHAPTER 13</b> <b>RETURN, RISK, AND THE SECURITY MARKET</b> <b>LINE</b> 13.4 Risk: Systematic and Unsystematic	Ended Chapter Problem 10/13/16

15	1	<b>CHAPTER 13</b> <b>RETURN, RISK, AND THE SECURITY MARKET LINE</b> 13.5 Diversification and Portfolio Risk 13.6 Systematic Risk and Beta 13.7 The Security Market Line	—
	2	<b>CHAPTER 13</b> <b>RETURN, RISK, AND THE SECURITY MARKET LINE</b> 13.8 The SML and the Cost of Capital: A Preview 13.9 Summary and Conclusions	Chapter 13 Mini case
16		<b>Final Revision</b>	
		<b>Final Revision</b>	
17		<b>Presentation I (4-5/group)</b>	
		<b>Presentation II (4-5/group)</b>	

*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

Fall Semester, 2019	August 30, 2019— January 12, 2020
Aug. 30	Registration
Sep.2	Classes Begin
Sep.6	Last Day to Drop or Add a Course
Sep.7 - 20	Freshmen's Military Training
Sep.13	Mid-Autumn Festival (tentative)
Sep.23	Classes Begin (Freshmen)
Oct.1 - 7	National Day Holiday (tentative)
Oct. 28 - Nov. 1	Mid-term Test (tentative)
Jan.1, 2020	New Year's Day Holiday (tentative)

Jan.1-10	Final Exam Period
Jan.13	Winter Vacation Begins

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

