

# Financial Management

## Course Syllabus

*ME201301, School of Management, HUST, 2014-2015(2)*

**Professor :** Ph. D Xia Xinping

**Mar.-Apr. 2015**

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**Course Credit:** 3 (48 hours), 16 Sessions, 3 hours for each session

3 hours/session × 16 sessions = 48 hours

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### **Advance Courses:**

Financial Accounting  
Managerial Economics  
Financial Markets

### **Course objective**

The Objective of this course is to introduce the student to both the theory and the practice of corporate finance and investment. This course also emphasizes the students' application skills.

### **Achieving the objective**

The theory of Finance will be covered by lecture sessions which will comprise about 70% of the class hours. These lectures will be based on the material contained in the text book which has a theoretical orientation. The practice of corporate finance will be analyzed by problems discussions which will comprise about 30% of the class hours.

Experience has shown that an efficient way to study the course material, particularly the quantitative part, is by solving problems related to the theory and its application. Some of these will be discussed in class. The students should do all the assigned problems. Microsoft Office Excel provides strong calculation function, especially the financial functions such as NPV, IRR, etc., students should be very familiar with this application software.

### **Teaching material**

- Slides, T/F quiz and multiple choice self-test software provided at the beginning of the course.

- James C. Van Horne, John M. Wachowicz, Jr., “Fundamentals of Financial Management”(Thirteenth Edition), Prentice-Hall International, Inc., 2009. (**FFM**)
- English-Chinese Vocabulary for Financial Management.

**Evaluation**

Performance in Classes	10 %
Assignments	20 %
Final Examination	<u>70 %</u>
	100 %

**Schedule**

<b>Session 1</b> ( NIGHT Mar. 3)	The Role of Financial Management
	Readings: Course slides FFM– Chapter 1
	Self-test: T/F quiz and multiple choice– Chapter 1
<b>Session 2</b> (NIGHT Mar. 5)	The Business, Tax, and Financial Environments
	Readings: Course slides FFM – Chapter 2
	Self-test: T/F quiz and multiple choice– Chapter 2
<b>Session 3</b> (NIGHT Mar. 10)	The Time Value of Money
	Readings: Course slides FFM – Chapter 3
	Self-test: T/F quiz and multiple choice– Chapter 3
	<b>Assignment: pp66 No.9</b>
	<b>Assignment: pp67 No.14</b>
<b>Session 4</b> (NIGHT Mar. 12)	The Valuation of Long-Term Securities
	Readings: Course slides FFM – Chapter 4
	Self-test: T/F quiz and multiple choice– Chapter 4
	<b>Assignment: pp92 No.14</b>
<b>Session 5</b> (NIGHT Mar. 17)	Risk and Return

Readings: Course slides  
FFM – Chapter 5  
Self-test: T/F quiz and multiple choice– Chapter 5

**Assignment: pp123 No.6**

**Session 6**  
(NIGHT Mar. 19)

Financial Statement Analysis

Readings: Course slides  
FFM – Chapter 6  
Self-test: T/F quiz and multiple choice– Chapter 6

**Sessions 7**  
(NIGHT Mar.24)

Financial Statement Analysis (continued)  
Fund Analysis, Cash-Flow Analysis, and Financial Planning

Readings: Course slides  
FFM – Chapter 6, 7  
Self-test: T/F quiz and multiple choice– Chapter 6, 7

**Assignment: pp164 No.9**

**Sessions 8**  
(NIGHT Mar. 26)

Capital Budgeting and Estimating Cash Flows  
Capital Budgeting Techniques

Readings: Course slides  
FFM – Chapter 12, 13  
Self-test: T/F quiz and multiple choice– Chapter 12, 13

**Session 9**  
(NIGHT Mar. 31)

Capital Budgeting Techniques

Readings: Course slides  
FFM – Chapter 13  
Self-test: T/F quiz and multiple choice– Chapter 13

**Assignment: pp347 No.5**

**Assignment: pp376 No.5**

**Session 10**  
(NIGHT Apr. 2)

Required Returns and the Cost of Capital

Readings: Course slides  
FFM – Chapter 15  
Self-test: T/F quiz and multiple choice– Chapter 15

**Assignment: pp412 No.5**

<b>Session 11</b> (NIGHT Apr. 7)	Operating and Financial Leverage  Readings: Course slides FFM – Chapter 16 Self-test: T/F quiz and multiple choice– Chapter 16 <b>Assignment: pp445 No.5</b>
<b>Session 12</b> (NIGHT Apr. 9)	Capital Structure Determination  Readings: Course slides FFM – Chapter 17 Self-test: T/F quiz and multiple choice– Chapter 17
<b>Session 13</b> (NIGHT Apr. 14)	Dividend Policy  Readings: Course slides FFM – Chapter 18 Self-test: T/F quiz and multiple choice– Chapter 18  <b>Assignment: pp500 No.7</b>
<b>Session 14</b> (NIGHT Apr. 16)	The Capital Markets  Readings: Course slides FFM – Chapter 19 Self-test: T/F quiz and multiple choice– Chapter 19
<b>Session 15</b> (NIGHT Apr. 21)	Long-Term Debt, Preferred Stock, and Common Stock  Readings: Course slides FFM – Chapter 20 Self-test: T/F quiz and multiple choice– Chapter 20
<b>Session 16</b> (NIGHT Apr. 23)	Working Capital Management Overview of Working Capital Management Cash and Marketable Securities Management Accounts Receivable and Inventory Management Short-Term Financing Review  Readings: Course slides FFM – Chapter 8, 9, 10, 11 Self-test: T/F quiz and multiple choice– Chapter 8, 9, 10, 11
<b>Session 17</b>	Final examination (in English) (To be determined)

**Reference Books:**

- 1) James C. Van Horne, John M. Wachowicz, Jr., 刘曙光等译, 财务管理基础 (第 13 版), 北京: 清华大学出版社, 2009。
- 2) Stephen A. Ross, Randolph W. Westerfield, Jeffrey F. Jaffe, **Corporate Finance (9<sup>th</sup> Edition)**, The McGraw-Hill Company, 2010.
- 3) Stephen A. Ross, Randolph W. Westerfield, Jeffrey F. Jaffe, 吴世农、沈艺峰、王志强等译, 公司理财 (第 9 版), 北京: 机械工业出版社, 2012 年。
- 4) S. J. Titman, J. D. Martin, A. J. Keown, Financial Management: Principle and Application (Eleventh Edition), Pearson Prentice Hall, Inc., 2011.
- 5) R. A. Brealey, S. C. Myers, F. Allen, Principles of Corporate Finance (Tenth Edition), The McGraw-Hill Company, 2011, McGraw-Hill Education (Asia) and China Machine Press, 2012. 公司财务原理 (英文原书第 10 版), 双语版 (赵英军译注), 北京: 机械工业出版社, 2012。

**Recommended Web Sites:****John Wachowicz's website: Wachowicz's Web World**

[http://web.utk.edu/~jwachowi/wacho\\_world.html](http://web.utk.edu/~jwachowi/wacho_world.html)

**Campbell R. Harvey's Hypertextual Finance Glossary (Over 8,000 Entries and 18,000 Hyperlinks, The largest financial glossary on the Internet)**

<http://www.duke.edu/~charvey/Classes/wpg/glossary.htm>

**Economic Value Added (EVA)**

<http://www.sternsteward.com/>

**Investopedia**

<http://www.investopedia.com/>

**《财务管理学》国家精品课程 (西南财经大学)**

<http://211.151.89.150/2004/swufe006/index.htm>

**《财务管理》国家精品课程 (东北财经大学)**

<http://classroom.dufe.edu.cn/jpkc/cwgl/zcr-1.htm>