

FINANCIAL MANAGEMENT

Summer 2019

Ewha Womans University

Course Syllabus

Course Title	Financial Management	Subject Area		Business Administration	
Course ID	TBA	Time	TBA	Credit	3.0
Instructor	Minwoo Lee	Phone		TBA	
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Ewha School of Business (ESB) Mission: to generate and disseminate knowledge to advance the understanding, practice and management of business while seeking to be a recognized leader in a high-quality business education.

- To play a leading role in the development of ideas that shapes the world of business and management.
- To prepare future leaders of business, education and public services by delivering the quality education.

ESB AoL Learning Goals and Traits:

- Management Knowledge: Basic business knowledge (Acquisition of adequate knowledge of basic business principles in Finance) (AoL Trait # 4-1)

Nature of Course

Financial Management is one of the business courses that are closely related not only to business administration but our everyday life. We deal with monetary issues on a daily for our home. Examples include bank deposits, borrowing money, investing in stock and bonds, buying major personal assets (home, cars, etc.). Keep in mind that the concepts and techniques learned for business are also applied with your home financial management.

Course Description and Objectives

The objective of this course is to introduce the students to the basic principles used in financial management and their applications in the long-term investment and financing. These principles are characterized in time value of money and relation between risk and return. Once the students acquire the basic knowledge on these principles, they will learn how to apply their knowledge to the valuation of stocks and bonds, financial planning, capital budgeting, long-term financing, capital structure, and dividend policy and risk management. Upon completing this course the students ought to be able to make basic decisions regarding which project to take, and if so, when; how to finance a project; how much of payouts, in what form, to make; how much debt to carry; and how to hedge away potential risks associated with basic operations of a firm. This course also lays foundation for more advanced investment and corporate finance topics to be taught in the higher-level finance courses.

Course objectives

- Develop critical thinking skills of financial concepts
- Familiarize with the types of the decisions that typically confront financial managers

- Ensure that students are competent in the utilizing knowledge of analytical techniques commonly employed in the financial decision-making process

Textbook and Teaching Materials

Ross, Westerfield, and Jordan, *Essentials of Corporate Finance*. 9th ed. McGraw-Hill, 2017. (9th edition is the most current, but much more expensive)

The best and most inexpensive way to obtain the book is to buy at the Ewha bookstore or through the help of Ewha International Summer College.

- Lecture notes (chapter outlines), practice questions, solutions for problems, and other materials related to the course are provided by the instructor. They may be provided in the form of electronic files. Additional materials are to be provided in class.
- Homework solutions are to provided.
- **Publisher’s Website:** You can also find useful study materials (Chapter summaries, Quizzes, Excel templates, etc.) from the publisher’s web page, <http://www.mhhe.com/rwj/> (chose Essentials of Corporate Finance).

Success in the Course

In order to succeed in the course it is essential that you stay current with all reading assignments, attend classes regularly, complete assignments, and ask questions about anything unclear to you. Students are encouraged to speak to the instructor regarding ant difficulties they encounter, big or small. It is also a good idea to meet with other students in the class and work in groups. Keep in mind that:

- Regular attendance is a course requirement.
- Keep up with homework and reading. Finance requires a hand-on experience. Reading and practicing are the keys to the success.
- Feel free to ask questions about the material during class, office hours or at other times when your instructor is available. You can also call me or e-mail me virtually anytime.
- Let me know what you think. For all aspects of the course, the instructor is open to comments, opinions, and suggestions by students. Please speak up and let me know what you think.

Field Trip

There may be a 2-3 hour field trip depending on the availability and situation with the hosting securities company and the class. Feedback by previous students regarding the field trip was greatly positive. The field trip is intended to get the “feel” of the financial market/industry. Students have an opportunity of hearing from financial experts about how financial markets functions, how to invest, employment opportunities, etc.

- Participation in the field trip is optional.
- If you are interested in a job or internship in the financial sector, you can take the advantage of this and can seek an opportunity during this field trip. You do not have to be a business major.

Assignments and Evaluation Method

Your course grade will be determined based on the following activities.

(1) Exams: 75%. There are mid-term and final exams.

- Sample/practice questions are provided for exams.
- The exams consist of a combination of multi-choice and short numerical questions.

(2) Homework: 15%.

- As part of homework, short questions may be given as take-home quizzes.
- Important homework questions are to be reviewed in class or their solutions are provided.

(3) Attendance and Class Participation: 10%.

(4) Extra Credit

- Students who showed great efforts and/or good attendance may receive extra credit.
- You will be playing games, Decision-making and Simulated stock investment games.
 - The games will be optional.
 - However, you will enjoy them, and at the same time you will learn.
 - Feedback from previous Ewha students confirms that the games were fun and useful.
 - The instructor reserves the right to replace games with some other projects. During the first week, the game or project assignment will be determined based on the backgrounds of the students, the class size, time constraints, etc.

Note:

This syllabus is tentative and any content/part of it (e.g., evaluation method, coverage, etc.) is subject to change with announcements.

Need Help?

It is utmost important to seek help from the instructor for anything related to the course. I will be very pleased to help you out in this course. Please help me help you and do not hesitate to ask for help. Also, let me know what you think about anything related to this course or anything on the syllabus. Your opinion will be appreciated and seriously considered in making adjustments. Let's have a good summer.

ESB Code of Ethics: to promote the growth of ethically responsible women leaders at ESB through adherence to the highest standards of academic integrity and overall ethical conduct, and to develop a sense of individual responsibility to maintain such standards.

- **Code of Ethics for Faculty:** ESB faculty must teach students with good faith, maintain transparency in grading, and faithfully conduct student counseling.
- **Code of Ethics for Students:** ESB student is expected to represent her academic product honestly and fairly, and to respect the individual rights of others.

Tentative Class Schedule

Week	Topic	Reading Assignment (Chapter)
1 (6/27)	I. Overview of Corporate Finance Introduction to Financial Management/Corporate Finance	1
2 (7/1 -4)	II. Valuation of Future Cash Flows Introduction to Valuation: Time Value of Money Multiple Discounted Cash Flows Application: Interest Rates and Bond Valuation Application: Stock Valuation	4 5 6 7
3 (7/8 - 11)	Mid-Term Exam III. Capital Budgeting Capital Budgeting: Decision Criteria Capital Investment Decisions VI. Risk and Return in Capital Market Some Lessons from Capital Market History Return, Risk, and the Security Market Line	8 9 10 11
4 (7/15 -18)	V. Cost of Capital and Financial Policy Raising Capital and Cost of Capital Capital Structure and Financial Leverage VI. Financial Statements Financial Statements and Cash Flows* Financial Statement Analysis*	12 13 2* 3*
5 (7/22 -23)	Games/Special Session/Field Trip* Comprehensive Review Final Exam	

* Depending on the students' backgrounds, these topics may be covered in different order.