

## **Course Syllabus Financial Management**

### **Course Description**

Almost every business degree program has a required course in financial management – although sometimes it is called “corporate finance,” “financial policy,” or “business finance.” Financial management is one of the most pivotal elements in business management since the design and implementation of a business strategy will eventually be faced with financial concerns and financial performance measurement.

This course discusses concepts and decisions in financial management, specifically those concerned about corporate finance. Discussion topics are divided into four parts. The first section introduces the fundamental concepts. The second section discusses corporate valuation. The third part talks about investment decisions. Subsequently, the fourth part is concerned about financing decisions and dividend policies. Lectures are designed for an 18-week course. Students are assigned to complete exercises expected to invigorate their understanding on topics discussed in the lectures.

### **Course Objective**

1. Students will be equipped with professional writing skills and reading ability.
2. Students will learn the fundamental concepts of corporate financial management.
3. Students will acquire a theoretical framework of the financial management and apply it to real business decisions.

### **Required Textbook & Materials**

#### Text Book

Ross, S.A., R.W. Westerfield, J.F. Jaffe and B.D. Jordan, *Corporate Finance*, 11th ed., McGraw-Hill, 2016. (華泰代理)

### **Evaluation**

|                                       |                                  |
|---------------------------------------|----------------------------------|
| Two Mid-term Exams and One Final Exam | 80% (equal weight for each exam) |
| Case Study (1 case)                   | 10%                              |
| Class Discussion and Participation    | 10%                              |

Exams – The exams will be in form of closed book.

### **Course Work**

The course is based on lectures. You can download the lectures from iLMS <http://lms.nthu.edu.tw/> . Lectures will be distributed on the website several days before the class.

## Course Schedule

| Part                       | Topic(s)  | Book  | Week  |
|----------------------------|---|-------|-------|
| I.<br>Overview             | Introduction to Corporate Finance                   | Ch 1  | 1     |
|                            | Financial Statements and Cash Flow                  | Ch 2  | 1-2   |
| II.<br>Valuation           | Discounted Cash Flow Valuation                      | Ch 4  | 3-4   |
|                            | Net Present Value and Other Investment Rules        | Ch 5  | 5-6   |
|                            | <b>Mid-term Exam I</b>                              |       | 7     |
|                            | Making Capital Investment Decisions                 | Ch 6  | 8     |
|                            | Interest Rates and Bonds Valuation                  | Ch 8  | 9-10  |
|                            | Stock Valuation                                     | Ch 9  | 11    |
| III.<br>Risk and<br>Return | Risk and Return Lessons form Market History         | Ch 10 | 12    |
|                            | <b>Mid-term Exam II</b>                             |       | 13    |
|                            | Return and Risk: The CAPM                           | Ch 11 | 14-15 |
|                            | Risk, Cost of Capital and Capital Budgeting         | Ch 13 | 16    |
| IV.<br>Other topics        | Efficient Capital Markets and Behavioral Challenges | Ch 14 | 17    |
|                            | Financial Statements Analysis and Financial Models  | Ch 3  |       |
|                            | <b>Final Exam</b>                                   |       | 18    |