



## Hunan University

### FIN 300: Financial Management

**Professor:** To be announced  
**Total contact hours:** 54 hours  
**Credit:** 4

#### ***Course Description***

This course will offer students a solid understanding of the fundamentals of finance from basic asset pricing theory, financial market dynamics, to techniques applicable in retirement plan, investment, and corporate decision-making. For students majoring in finance, the material covered represents the foundation upon which further study in the area will be built. For non-finance majors, the material covered will provide a basic understanding about the types of decisions that financial managers make, how to price some common financial assets, and how these may relate to their own areas of expertise. Specific topics covered include: an overview of financial management and the role of the financial manager; financial ratio analysis; the concept of risk and return; the time value of money; corporate governance; the concept of investment portfolio; financial assets and their valuation; the cost of capital; capital investment decisions.

#### ***Required Material***

Brigham & Ehrhardt, *Financial Management: Theory and Practice*, 14th Edition, South-Western Cengage Learning; 2013. ISBN-13: 978-1111972202.

#### ***Grading***

- Participation 10%
- Homework 30%
- Midterm Exam 30%
- Final Exam 30%

A+ 96-100	A 90-95	A- 85-89
B+ 82-84	B 78-81	B- 75-77
C+ 71-74	C 66-70	C- 62-65
D 60-61	F < 60	



## ***Course Schedule***

The course has 24 class sessions in total. All sessions are 2 hours and 15 minutes in length. Note: the course outline and required readings are subject to change.

### Class 1

Introduction; explain course-related issues, and go over some key aspects of finance and financial management

### Class 2

Firm valuation; read financial statement; free cash flow (FCF); Net Operating Profit After Tax (NOPAT)

### Class 3

Find FCF from financial statement; corporate tax

### Class 4

Analyze financial statement and determine the health of a firm; financial ratios and their interpretation

### Class 5

Review Discussion

### Class 6

Financial ratios and their interpretation; make suggestions to the firm's management based on your findings

### Class 7

Time value of money; the concept of discounting; deriving formulas perpetuity, annuity and other special cash flows

### Class 8

Consol bond; value different financial products (mortgage loan, student loan, car loan, etc.); make retirement plan

### Class 9

More real world examples of asset valuation; start topic E if time permits

### Class 10

Review Discussion

### Class 11

Cash flows associated with bonds; various bond types (Treasury, corporate and municipal bonds); price quote



Class 12

Derive bond pricing formula; practice bond valuation; determine bond yield; price semi-annual coupon bond

Class 13

Interest rate, inflation and Fisher's relationship

Class 14

Midterm Review

Class 15

Midterm Exam

Class 16

Go over the midterm exam and explain the answers; start Topic F: quantifying risk

Class 17

Tradeoff between risk and return; portfolio theory; derive the capital asset pricing model (CAPM)

Class 18

Stock and ownership; stock valuation; two models based on dividend; dividend growth and plowback

Class 19

A comprehensive example showing where value comes from; market efficiency – forms and meanings

Class 20

Review Discussion

Class 21

Wrap up Topic G; start Topic H.; how to find the cost of capital and use it for valuating a business; WACC and FCF

Class 22

Business investment criteria; the NPV rule; the pitfalls of the IRR rule; capital budgeting decisions and examples

Class 23

Final Review



Class 24  
Final Exam

### ***Attending Policy***

Regular and prompt attendance is required. Under ordinary circumstances, you may miss two times without penalty. Each absence over this number will lower your course grade by a third of a letter and missing more than five classes may lead to a failing grade in the course. Arriving late and/or leaving before the end of the class period are equivalent to absences.

### ***Policy on “Late Withdrawals”***

In accordance with university policy, appeals for late withdrawal will be approved ONLY in case of medical emergency and similar crises.

### ***Academic Honesty***

Hunan University expects all students to do their own work. Instructors will fail assignments that show evidence of plagiarism or other forms of cheating, and will also report the student's name to the University administration. A student reported to the University for cheating is placed on disciplinary probation; a student reported twice is suspended or expelled.

### ***General Expectations:***

Students are expected to:

- Attend all classes and be responsible for all materials covered in class and otherwise assigned;
- Complete the day's required reading and assignments before class;
- Review the previous day's notes before class and make notes about questions you have about the previous class or the day's reading;
- Participate in class discussions and complete required written work on time;
- Refrain from texting, phoning or engaging in computer activities unrelated to class during the class period;
- While class participation is welcome, even required, you are expected to refrain from private conversations during the class period.

### ***Special Needs or Assistance***

Please contact the Administrative Office immediately if you have a learning disability, a medical issue, or any other type of problem that prevents professors from seeing you have learned the course material. Our goal is to help you learn, not to penalize you for issues which mask your learning.