



HANYANG UNIVERSITY

2019 HISS Syllabus (Financial Management)

Professor: **Minwoo Lee**
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Home Univ.: Western Kentucky University
Dept.: Gordon Ford College of Business

Description: This course introduces 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.

Field Trip / Invited Speaker

Depending on the schedule and students' interest, the instructor may be able to arrange a 2-3 hour field trip for the students 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. Alternatively, we can arrange to invite a financial expert to speak in class.

Hanyang International Summer School

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Objectives:	<ul style="list-style-type: none"> • 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
Preparations:	<ul style="list-style-type: none"> * No prerequisite required. * Textbook: <u>Essentials of Corporate Finance</u>, 9th ed. by Jordan, Westerfield and Ross, 2017, McGraw Hill-Irwin. * <u>Lecture notes (chapter outlines), practice questions, solutions for problems, and other materials</u> related to the course are provided by the instructor.

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



Evaluation (%)	Midterm 35	Final 40	Attendance 10	Assignments 15	Participation 0 - 5	Efforts 5 - 10
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