B.E. International Program

Faculty of Economics, Thammasat University

Course Outline

FN201 Business Finance

Semester: 2/2018 (January 14 - May 12, 2019)

Number of credits: **3 credits (3-0-6)**

Lecture Time: Tuesday, 14.00 - 17.00 hours

Lecture Venue: Room 304, Faculty of Economics

Instructor: Dr. Winai Homsombat

Email: winai.hom@mail.kmutt.ac.th

Office hours: By appointment

Course Description

This course studies the basic principles of financial management for business as well as the responsibilities of financial managers in order that they can perform their best to maximize the enterprise value. Discussions will cover financial analysis, cash flow analysis, financial planning and control, fundamental analysis on risk and return, time value of money, current asset management, fixed assets investments, allocation and acquisition of funds, short-term and long-term financing, and costs of financing.

Prerequisites: AC201 Fundamental Accounting

Course Objectives

This course aims at developing students to have financial knowledge to deal with many issues in business finance. It will also form a foundation for further finance courses. Key objectives of this subject include:

1. to study the basic principles of financial management for business;
2. to provide an introduction to the theories of finance and decision tools for financial managers;
3. to discuss the fundamental of financial planning and control, investment, and capital financing.

Main Text:

- **RWJ:** Ross, S.A., Westerfield, R.W., Jordan, B.D., (2012). Fundamentals of Corporate Finance. 10th Edition. New York: McGraw-Hill/Irwin.

Other Recommended Book:

- Brealey, R.A., Myers, S.C., Allen, F., (2010). Principles of Corporate Finance. 10th Edition. New York: McGraw-Hill/Irwin.
- Brigham, E.F., Ehrhardt, M.C., (2011). Financial Management: Theory and Practice. 13th Edition. OH: South-Western.

Tentative Teaching Schedule:

Class	Topics
1	**Lecture 1**: Introduction to corporate finance and financial statements *Reading: RWJ Chapter 1 and 2*
2	**Lecture 2**: Working with financial statements *Reading: RWJ Chapter 3*
3	**Lecture 2**: Working with financial statements *(Continued)*
4	**Lecture 3**: Long-term financial planning and growth *Reading: RWJ Chapter 4*
5	**Lecture 3**: Long-term financial planning and growth *(Continued)*
6	**Lecture 4**: Short-term finance and planning *Reading: RWJ Chapter 18*
7	**Lecture 4**: Short-term finance and planning *(Continued)*
8	**MIDTERM EXAMINATION: TUESDAY, MARCH 5, 2019 (15.00 – 17.00 HRS.)**
9	**Lecture 5**: Introduction to valuation: The time value of money *Reading: RWJ Chapter 5 and 6*
10	**Lecture 6**: Interest rate and bond valuation *Reading: RWJ Chapter 7*
11	**Lecture 7**: Stock valuation *Reading: RWJ Chapter 8*
12	**Lecture 8**: Net present value and other investment criteria *Reading: RWJ Chapter 9*
13	**Lecture 9**: Return, risk, and the security market line *Reading: RWJ Chapter 13*
14	**Lecture 10**: Cost of Capital *Reading: RWJ Chapter 14*
15	**Lecture 11**: Raising capital, financial leverage, and capital structure poicy *Reading: RWJ Chapter 15-16*
16	**Lecture 11**: Raising capital, financial leverage, and capital structure poicy *(Continued)*
17	**FINAL EXAMINATION : MONDAY, MAY 27, 2019 (13.30 – 16.30 HRS.)**

Course Evaluation:

The course will be assessed by pre-class reading and quizzes, after-class assignments, mid-term examination, and final examination. The pre-class reading and quizzes will be given prior to the beginning of lectures. By doing so, students are responsible for knowing any relevant materials and having some clues about what would be discussed in class. The pre-class reading and quizzes will essentially be grading student learning performance. Then, after-class assignments would be supplemented where needed. Students are not expected to miss any assignments. Any absence or overdue submission will be counted as a missed quiz or assignment. All pre-class quizzes and after-class assignments will be accessed using a web-based platform provide by Mc-Graw Hill Connect https://connect.mheducation.com, which is linked to our BE-moodle. The assessment criteria are detailed as follows.

Class participation and readings	10%
Online quizzes	10%
Assignments	10%
Mid-term examination	30%
Final examination	40%

Mid-term and final examination dates are as follows.

Type of evaluation	Evaluation Method	Evaluation date
Mid-term	Closed-book Examination	Tuesday, March 5, 2019 (15.00 – 17.00 hrs.)
Final	Closed-book Examination	Monday, May 27, 2019 (13.30 – 16.30 hrs.)

Class policies:

1) Lectures will stress the most important issues addressed in the readings. You are responsible for all material covered in class and assigned readings. Lectures may go beyond the scope of the textbook. Therefore, it is important for you to attend and participate in class.
2) There will assignments as deemed appropriate to accommodate effective learning. Each assignment will be graded based on the quality of the analysis and the ability to apply the principles of financial management for managerial decision. Lecture notes, exercises, and guided solution to each lecture, as well as other useful materials, could be accessible from class Moodle.
3) You are responsible for all announcements and changes made in class. However, there will be no make-up quiz and final examination without prior consent from the instructor. If a student has a legitimate, verifiable reason (e.g., doctor's note), a separate comprehensive examination will be given.

Remarks:

- Semester begins — January 14, 2019
- Period of withdrawal without "W" — January 14 - 28, 2019
- **Mid-Term Examination Period** — **March 4 - 9, 2019**

TUESDAY, MARCH 5, 2019 (15.00 – 17.00 HRS.)

- Course withdrawal with "W" — March 20 - 25, 2019
- Last day of class — May 12, 2019
- **Final Examination Period** — **May 13 - 17, 21 - 30, 2019**

MONDAY, MAY 27, 2019 (13.30 – 16.30 HRS.)
