



# **B.E. International Program**

## **Faculty of Economics, Thammasat University**



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### **Course Outline**

#### **FN201 Business Finance**

Semester 2/2017 (January 8 – May 20, 2018)

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

**Lecture Time:** Tuesday, 14.00 - 17.00 hours

**Lecture Venue:** Room 206 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:

**BE:** Brigham, E. F., Ehrhardt, M. C., (2011). Financial Management: Theory and Practice. 13<sup>th</sup> Edition. OH: South-Western.

## Other Recommended Book:

- **BMA:** Brealey, R. A., Myers, S. C., Allen, F., (2010). Principles of Corporate Finance. 10<sup>th</sup> Edition. New York: McGraw-Hill/Irwin.
- Ross, S. A., Westerfield, R. W., Jordan, B. D., (2012). Fundamentals of Corporate Finance. 10<sup>th</sup> Edition. New York: McGraw-Hill/Irwin.

## Tentative Teaching Schedule:

| Class | Date (2018)                                                                  | Topics                                                                                                                           |
|-------|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| 1     | Jan 9                                                                        | <b>Lecture 1:</b> Introduction to business finance and financial statements<br><i>Reading: BE Chapter 1 and 2: BMA Chapter 1</i> |
| 2     | Jan 16                                                                       | <b>Lecture 1:</b> Introduction to business finance and financial statements<br><i>(Continued)</i>                                |
| 3     | Feb 6                                                                        | <b>Lecture 2:</b> Financial analysis and planning<br><i>Reading: BE Chapter 3: BMA Chapter 28 and 29</i>                         |
| 4     | Feb 13                                                                       | <b>Lecture 2:</b> Financial analysis and planning<br><i>(Continued)</i>                                                          |
| 5     | Feb 20                                                                       | <b>Lecture 3:</b> Working capital management: Current Asset Management<br><i>Reading: BE Chapter 16: BMA Chapter 30</i>          |
| 6     | Feb 27                                                                       | <b>Lecture 3:</b> Working capital management: Short-term Financing<br><i>(Continued)</i>                                         |
| 7     | Mar 6                                                                        | <b>Lecture 4:</b> Time value of money<br><i>Reading: BE Chapter 4: BMA Chapter 2</i>                                             |
| 8     | <b>MIDTERM EXAMINATION:<br/>TUESDAY, MARCH 13, 2018 (15.00 – 17.00 HRS.)</b> |                                                                                                                                  |
| 9     | Mar 20                                                                       | <b>Lecture 5:</b> Investment criteria and decision<br><i>Reading: BE Chapter 10: BMA Chapter 5 and 6</i>                         |
| 10    | Mar 27                                                                       | <b>Lecture 6:</b> Valuing bonds and common stocks<br><i>Reading: BE Chapter 5 and 7: BMA Chapter 3 and 4</i>                     |
| 11    | Apr 3                                                                        | <b>Lecture 6:</b> Valuing bonds and common stocks<br><i>(Continued)</i>                                                          |
| 12    | Apr 10                                                                       | <b>Lecture 7:</b> Introduction to risk and return and portfolio theory<br><i>Reading: BE Chapter 6: BMA Chapter 7 and 8</i>      |
| 13    | Apr 24                                                                       | <b>Lecture 8:</b> Cost of Capital<br><i>Reading: BE Chapter 9: BMA Chapter 9</i>                                                 |
| 14    | May 1                                                                        | <b>Lecture 8:</b> Cost of Capital<br><i>(Continued)</i>                                                                          |
| 15    | May 8                                                                        | <b>Lecture 9:</b> Capital Structure Decision<br><i>Reading: BE Chapter 15: BMA Chapter 18</i>                                    |
| 16    | May 15                                                                       | <b>Lecture 9:</b> Capital Structure Decision<br><i>(Continued)</i><br>and wrap-up class                                          |
| 17    | <b>FINAL EXAMINATION:<br/>WEDNESDAY, MAY 30, 2018 (09.00 – 12.00 HRS.)</b>   |                                                                                                                                  |

## Course Evaluation

| Type of evaluation | Evaluation Method       | Evaluation date                              |
|--------------------|-------------------------|----------------------------------------------|
| Midterm            | Closed-book Examination | Tuesday, March 13, 2018 (15.00 – 17.00 hrs.) |
| Final              | Closed-book Examination | Wednesday, May 30, 2018 (09.00 – 12.00 hrs.) |

|                               |            |
|-------------------------------|------------|
| <b>Class participation</b>    | <b>10%</b> |
| <b>Assignment and/or quiz</b> | <b>20%</b> |
| <b>Midterm exam</b>           | <b>30%</b> |
| <b>Final exam</b>             | <b>40%</b> |

## 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.

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## Remarks:

|                                    |                              |
|------------------------------------|------------------------------|
| Semester 2/2017 begins             | January 8, 2018              |
| <b>Mid-Term Examination Period</b> | <b>March 12 - 17, 2018</b>   |
| Course withdrawal with "W"         | March 28 – April 2, 2018     |
| Chakri Memorial Day                | April 6, 2018                |
| Songkran Festival Day              | April 11-17, 2018            |
| Royal Ploughing Ceremony Day       | May 14, 2018                 |
| Last day of class                  | May 20, 2018                 |
| <b>Final Examination Period</b>    | <b>May 21 – June 2, 2018</b> |