B.E. International Program

Faculty of Economics, Thammasat University

Course Outline

FN201 Business Finance

Semester: 1/2018 (August 14 – December 3, 2018)

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

Lecture Time: Tuesday, 14.00 - 17.00 hours

Lecture Venue: Room 302, 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. 13th Edition. OH: South-Western.

Other Recommended Book:

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

Tentative Teaching Schedule:

Class	Topics
1	**Lecture 1**: Introduction to business finance and financial statements *Reading: BE Chapter 1 and 2: BMA Chapter 1*
2	**Lecture 1**: Introduction to business finance and financial statements *(Continued)*
3	**Lecture 2**: Financial analysis and planning *Reading: BE Chapter 3: BMA Chapter 28 and 29*
4	**Lecture 2**: Financial analysis and planning *(Continued)*
5	**Lecture 3**: Working capital management *Reading: BE Chapter 16: BMA Chapter 30*
6	**Lecture 3**: Working capital management *(Continued)*
7	**Lecture 4**: Time value of money *Reading: BE Chapter 4: BMA Chapter 2*
8	**MIDTERM EXAMINATION: TUESDAY, OCTOBER 2, 2018 (15.00 – 17.00 hrs.)**
9	**Lecture 5**: Investment criteria and decision *Reading: BE Chapter 10: BMA Chapter 5 and 6*
10	**Lecture 6**: Valuing bonds and common stocks *Reading: BE Chapter 5 and 7: BMA Chapter 3 and 4*
11	**Lecture 6**: Valuing bonds and common stocks *(Continued)*
12	**Lecture 7**: Introduction to risk and return and portfolio theory *Reading: BE Chapter 6: BMA Chapter 7 and 8*
13	**Lecture 8:** Cost of Capital *Reading: BE Chapter 9: BMA Chapter 9*
14	**Lecture 8:** Cost of Capital *(Continued)*
15	**Lecture 9:** Capital Structure Decision *Reading: BE Chapter 15: BMA Chapter 18*
16	**Lecture 9:** Capital Structure Decision *(Continued)*
17	**FINAL EXAMINATION : MONDAY, DECEMBER 17, 2018 (09.00 – 12.00 hrs.)**

Course Evaluation

Type of evaluation	Evaluation Method	Evaluation date
Midterm	Closed-book Examination	Tuesday, October 2, 2018 (15.00 – 17.00 hrs.)
Final	Closed-book Examination	Monday, December 17, 2018 (09.00 – 12.00 hrs.)

Class participation	10%
Assignment and/or quiz	20%
Midterm exam	30%
Final exam	40%

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:

- ♦ First semester begins — August 14, 2018
- ♦ Period of withdrawal without "W" — August 14 - 27, 2018
- ♦ **Mid-Term Examination Period — October 1 - 6, 2018**

(TUESDAY, OCTOBER 2, 2018: 15.00 - 17.00 HRS.)

- ♦ Course withdrawal with "W" — October 1 - 6, 2018
- ♦ Chulalongkorn Memorial Day — October 23, 2018
- ♦ Last day of class — December 3, 2018
- ♦ **Final Examination Period — December 4, 6-9, 11-20, 2018**

(MONDAY, DECEMBER 17, 2018: 09.00 – 12.00 HRS.)