



B.E. International Program

Faculty of Economics, Thammasat University



Course Outline

FN 311 Financial Management

Semester 1/2012 (August 14 – December 1, 2012)

- Number of credits:** 3 credits
- Lecture Time:** Wednesdays and Fridays, 15.30 – 17.00 hrs
- Lecture Venue:** Room 206, Faculty of Economics
- Instructor:** Asst. Prof. Dr. Sarayut Nathaphan
Office hours: by appointment

Course Description:

A study of various financial policies affecting decision making in financial management and the various techniques of financial management under uncertainty both in allocation and acquisition of funds, and also business growth by merger and acquisition to achieve business goals effectively.

Prerequisites: (1) FN 201 and (2) BA 204 or ST 211 or ST 216 or ST 218

Course Objectives:

The objective of this course is to understand the concepts, tools and techniques commonly used in making financial decisions. This includes an understanding of the financial environment facing businesses as well as a working knowledge of the various financial instruments available. Important topics of financial management concepts will be discussed including the time value of money, asset valuation and risk and return. Moreover, practice of computer software related to financial risk and return calculation, sensitivity, scenario, and Monte Carlo simulation for business decision will also be addressed.

Required Text and Materials:

1. Fundamentals of Corporate Finance, Asia Global Edition, 2012, Mc Graw Hill, Stephen A. Ross, Randolph W. Westerfield, Bradford D. Jordan, Joseph Lim, and Ruth Tan.
2. Modern Financial Management, 2008, 9th edition, Mc Graw Hill, J. Stephen A. Ross, Westerfield, Jaffe, and Jordan

Teaching Plan:

Tentative Course Schedule

Date	Topic	Reading
Wed Aug 15 th	- Introduction to the course - The Goal of Financial Management - Agency Theorem	Chp. 1
Fri Aug 17 th	- Agency Theorem (continued) - Financial Markets - Financial Institutions	Chp. 1
Wed Aug 22 nd	- Financial Statements and Cash Flow - The Balance Sheet - The Income Statement - Net Working Capital - Financial Cash Flow - The Accounting Statement of Cash Flows	Chp. 2
Fri Aug 24 th	- Financial Statement Analysis - Ratio Analysis - The Du Pont Identity	Chp. 3
Makeup Class compensated for commencement days and the rehearsal day	- Financial Planning and Forecasting (AFN) 1 - Financial Planning and Forecasting (AFN) 2	Chp. 4
Wed Sept 5 th	- Review TVM and Practice 1	Chp. 5
Fri Sept 7 th	- Review TVM and Practice 1	Chp. 6
Wed Sept 12 th	- Review Valuation Theory 1	Chp. 7
Fri Sept 14 th	- Review Valuation Theory 2	Chp. 8

Date	Topic	Reading
Wed Sept 19 th	- Review Capital Budgeting - NPV and other Investment Rules	Chp. 9
Fri Sept 21 st	- Making Capital Investment Decisions 1	Chp. 10
Wed Sept 26 th	- Making Capital Investment Decisions 2	Chp. 10
Fri Oct 5th	MIDTERM EXAMINATION	
TBA (After Midterm exam week)	- Project Analysis and Evaluation 1 - Sensitivity Analysis, Scenario Analysis, and Break Even Analysis	Chp. 11
Fri Oct 12 th	- Project Analysis and Evaluation 2 - Monte Carlo Simulation	Chp. 11
Wed Oct 17 th	- Risk and Return	Chp. 12
Fri Oct 19 th	-Return and Risk: The Individual Asset - Return and Risk for Portfolios	Chp. 13
Wed Oct 24 th	- Diversification: An Example - CAPM	Chp. 13
Fri Oct 26 th	- CAPM - Practice	Chp. 13
Wed Oct 31 st	- Cost of Capital	Chp. 14
Fri Nov 2 nd	- Raising Capital	Chp. 15
Wed Nov 7 th	- Financial Leverage and Capital Structure Policy 1 - Modigliani and Miller Proposition I and II	Chp. 16
Fri Nov 9 th	- Financial Leverage and Capital Structure Policy 2 - Bankruptcy	Chp. 16
Wed Nov 14 th	- Optimal Capital Structure	Chp. 16
Fri Nov 16 th	- Dividends and Payout Policy - Does dividends matter? - Stock Repurchases	Chp. 17
Wed Nov 21 st	- Short-Term Finance and Planning - The operating cycle and the cash cycle - The cash budget - Short-term borrowing	Chp. 18

Date	Topic	Reading
Fri Nov 23 rd	- Cash and Liquidity Management	Chp. 19
Fri Nov 28 th	- Credit and Inventory Management - Analyzing credit policy - Optimal credit policy - Credit analysis	Chp 20
Wed Nov 30 th	- Collection Policy - Inventory Management - Inventory Management Techniques	Chp 20
Mon Dec 3rd	FINAL EXAMINATION	

Grading

Midterm Examination	30%
(Friday, October 5, 2012, 15.30 – 17.00 hrs)	
Final Examination	40%
(Monday, December 3, 2012, 13.30 – 16.30 hrs)	
Mini Case and Presentation	10%
Assignment	10%
Quiz and Participation (Attend)	10%
Total	100%

Quiz Policy: there will be no make up quiz and all quizzes will be pop-up quiz

Minicase and Presentation Policy: students are required to submit PPT before presentation and have maximum 15 minutes presentation time. No make up presentation or minicase submission.

Important Dates:

Classes Begins	August 14, 2012
Adding and Dropping Courses	August 14 – 28, 2012
Midterm Exam Period	October 1 – 6, 2012 (No Lectures)
Course Withdrawal with “W”	October 17 – 22, 2012
Class Ends	December 1, 2012
