

# Financial Management

## 1. Course Description

《Financial Management》 is the elective module for postgraduate students majored in accounting. From the global and sustainable perspective, it introduces both conceptual theory and practical technique of financial management within a firm. Through various problems and cases, students should be able to arrive at short-term and long-term decision-making, including investment and working capital, financing and capital structure as well as firm value.

## 2. Course Objectives and Requirements

**1. Course Objectives :** In this class, we will first define what exactly the objective of financial management should be. Secondly, we will learn how to make investment decisions, where we look at how a business should allocate resources across competing uses. Thirdly, we will learn how to make financing decisions, where we will examine the sources of financing and whether there is an optimal mix of financing. Finally, there is valuation.

**2. Requirements :** Before this course, students should have studied about financial accounting and management accounting. During the course, students should preview material, finish and submit assignments in time.

## 3. Course Arrangement

Course name		Financial management	Total Credit Hours	36
unit	Credit hours	Contents	Preparation of class and reading materials	Cases
1	2	Unit One : Introduction to Financial Management 1. Assumptions on Corporate Finance	1. Chapter 1 of Textbook 2. Case : Starbucks	1. Sports Products, Inc.

		2. Comparison and Contrast between Financial Accounting and Corporate Finance 3. Comparison and Linkage between and among Economics, Accounting and corporate finance 4. Challenges of Globalization on Corporate Finance		
2	4	<b>Unit Two : Financial Statement Analysis</b> 1. Stockholders' report 2. Financial ratios 3. DuPont system	1. Chapter 2 of Textbook 2. Case : Bartlett Company	1. Zach Industries
3	6	<b>Unit Three : Important Financial Concepts</b> 1. Time value of money 2. Bond valuation 3. Stock valuation	1. Chapter 4, 6, 7 of Textbook 2. Case : Eli Lilly Company 3. Case: U.S. Treasury 4. Case: Domino's Pizza, Inc.	1. Atilier Industries Bonds 2. Suarez Manufacturing's risky investment
4	4	<b>Unit Four : Long-Term Investment Decisions</b> 1. Relent cash flow 2. Payback period 3. NPV 4. IRR	1. Chapter 8, 9 of Textbook 2. Case: FedEx Express 3. Case: Intel, putting a value on productivity	1. Case: Central Laundry 2. Norwich Tools
5	4	<b>Unit Five : Cost of Capital</b> 1. Individual cost of capital 2. WACC 3. WMCC & IOS	1. Chapter 11 of Textbook 2. Case: eBay 3. Case: Duchess Corporation	1. Lang Enterprises 2. Grainger Corp.
6	4	<b>Unit Six : Risk and Return</b>	1. Chapter 5, 10 of	1. Chargers

		1. Risk and return 2. Risk of a portfolio 3. Capital Asset Pricing Model	Textbook 2. Case: JP Morgan Chase & Co.	Products' Investment
7	4	<b>Unit Seven : Short-term Financial Decisions</b> 1. Working capital 2. Current assets management	1. Chapter 14 of Textbook 2. Case: Outsourcing of AT&T	1. Roche Publishing Company's cash management
8	8	<b>Unit Eight : Firm Value</b> 1. SWOT Analysis and Financial Issues 2. Ratio Analysis and PERL 3. Sales Budget 4. Adjusted Cash Flow 5. CAPM and WACC 6. NPV as Firm Value	1. Application of Textbook 2. Case: Cobham	1. Cobham Case

#### 4. Teaching Methods

Lectures、Discussions、Case Analysis, etc.

#### 5. Learning Outcomes Expected

Category	Learning Outcomes
Master of Knowledge	1. Master the basic concepts, basic theory and development trend of financial management 2. Master the basic principles and methods of ratio analysis 3. Familiar with time value of money 4. Familiar with relevant cash flow 5. Familiar with financial market 6. Master the process and basic methods of investing decisions 7. Master the process and basic methods of financing decisions 8. Understanding the theories and methods of firm value

Intellectual abilities learned	<ol style="list-style-type: none"> <li>1. Have the ability to set financial management from management perspective</li> <li>2. Have the ability to be engaged in corporate finance with the idea of sustainable development to meet the global challenges</li> <li>3. Have the ability of using science management ideas and methods in corporate finance</li> <li>4. Have the abilities of flexibility and adaptability on financial analysis, under critical thinking about the influence of the internal and external users, such as shareholders, creditors, government, manager, employee</li> <li>5. Have the comprehensive corporate finance abilities of acquisition, Utility, development of information by the rigorous attitude and scientific methods</li> </ol>
Practical skills learned	<ol style="list-style-type: none"> <li>1. Master ratio skills of analyzing financial statements</li> <li>2. The skills of using time value of money in cash flow</li> <li>3. The actual application skills of picking up relevant cash flow</li> <li>4. The skills of using different techniques for investing decisions</li> <li>5. The skills of using CAPM and WACC in financing decisions</li> </ol>
Personal competences and characters Cultivated	<ol style="list-style-type: none"> <li>1. The competence of thinking questions by using globalization view and the idea of sustainable development</li> <li>2. The management competence of being good at planning, calculating and analysis</li> <li>3. The competence of critical acceptance of knowledge and innovative</li> <li>4. The competence of flexibly contingency management according to different external environment</li> <li>5. Character of "respect others "</li> <li>6. Have the charm of leadership and responsibility</li> <li>7. The team spirit of cooperation</li> </ol>

## 6. Performance Evaluation: Means & Ratio

Evaluation Means	Ratio ( % )	Link with learning outcomes expected
Team and	25	Focusing on case analysis, evaluate the abilities of using financial management knowledge related to analyze and solve

individual assignments		the practical problems
Attendance and Engagement	25	Evaluate the abilities of understand and application of financial management knowledge related and the abilities of team participation and effective communication
Exam	50	Emphasis on the evaluating the degree of mastering the basic concepts and important theories on these modules, such as ratio analysis, financing decisions, capital market, time value of money, investing decision, CAPM, WACC, firm value .etc. Through the exam, the level in mastering and applying the corporate finance knowledge of students can be gained

## 7.Textbook, References and Reading Materials

### 1) Textbook

Lawrence J. Gitman, et al., *Principles of Managerial Finance*, 14<sup>th</sup> Edition, 2014, Prentice Hall

### 2) References

Bob Ryan, *Finance and Accounting for Business*, 2<sup>nd</sup> Edition, 2008, Cengage Learning EMEA (South-Western)

## 8. Cases

- [1] Sports Products, Inc.
- [2] Zach Industries
- [3] Atilier Industries Bonds
- [4] Suarez Manufacturing's risky investment
- [5] Central Laundry
- [6] Norwich Tools
- [7] Lang Enterprises
- [8] Grainger Corp.
- [9] Chargers Products' Investment
- [10] Roche Publishing Company's cash management

[11] Cobham Case

## 9. Assignment Requirements

Select any public listed company by yourself, combine with the financial management theory and knowledge related, describe, analyses and evaluate financial problems existed, and put forward some solutions and alternatives.

### Requirements

- 1) Collect this case background information and discuss about the problems above
- 2) Form the groups , each group consists of 6-8 students.
- 3) Do presentation in the class, each group need to submit PPT and the EXCEL (one copy of the electronic version and paper version)
- 4) Each group should prepare before class carefully, please.

### The criteria of assignment evaluation (100 points)

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|---|-----------|
| 1) Whether the case material collection is completed or not         | 20 points |
| 2) Whether the case analysis is system in-depth or not              | 25 points |
| 3) Whether the insights is linked with work practice closely or not | 25 points |
| 4) Participation of group members in case discussion                | 20 points |
| 5) Whether the PPT and document is made seriously and beautiful     | 10 points |

### Accessories:

1. The course PPT
2. Case material
3. Other teaching material (such as reading materials, the articles)
4. Study guide