

IWC303 – Principles of Finance

Korea University Business School

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Consultation times: TBA

Textbook:

Brigham and Houston, Essentials of Financial Management, Cengage Learning.

Course Objective:

At first, basic knowledge on time value of money and interest rates will be covered. With this basic knowledge students then will start to learn how to value firms for practical applications relating to the theory of financial decision-making. On the last day, students will analyse two case studies (group assignment) to develop ability to make judgments in a realistic setting and to develop the capacity to articulate judgments orally.

Course Schedule:

Day	Week Starting	Topic	Readings
1	27 December (Fri)	Introduction	Ch. 1
2	28 December (Sat)	Time Value of money	Ch. 5
3	30 December (Mon)	Interest Rates	Ch. 7
4	31 December (Tue)	Risk and rates of return	Ch. 8
5	2 January (Thu)	Bonds and their valuation	Ch. 9
6	3 January (Fri)	Exam 1	
7	6 January (Mon)	Stocks and their valuation	Ch. 10
7	7 January (Tue)	Cost of Capital	Ch. 11
9	8 January (Wed)	The Basics of Capital Budgeting	Ch. 12
10	9 January (Thu)	Cash Flow Estimation and Risk analysis	Ch. 13
11	10 January (Fri)	Exam 2	
12	13 January (Mon)	Capital Budgeting & Real Options	Ch. 14
13	14 January (Tue)	Capital Budgeting with Leverage	Ch. 15

14	15 January (Wed)	Case Study Day	
15	16 January (Thu)	Final Exam	

Grading:

Exam 1 (25%), Exam 2(25%), Exam 3 (25%), Attendance and Participation (18% + 7%)

Notes:

- No make-up exams.
- Exams are not cumulative.
- All exams are multiple choices.
- Minor modifications may be made during the course as deemed appropriate.
- Each attendance earns 1.5 point (exams days are excluded).
- Participation marks will be given when students are actively involved in the class.