



## FIN 021: Introduction to Finance

### General Information:

<b>Term: 2020 Summer Session</b>
<b>Instructor: Staff</b>
<b>Language of Instruction: English</b>
<b>Classroom: TBA</b>
<b>Office Hours: TBA</b>
<b>Class Sessions Per Week: 5</b>
<b>Total Weeks: 5</b>
<b>Total Class Sessions: 25</b>
<b>Class Session Length (minutes): 120</b>
<b>Credit Hours: 4</b>

### Course Description:

This course introduces the basic principles of finance with emphasis on the understanding of finance theory and working knowledge of the financial environment, in which the firm operates in order to develop and successfully enter the appropriate financial strategies. Topics cover the whole range of basic finance concepts, economics and financial environment, financial statement analysis, risk analysis, the valuation process, capital budgeting, capital structure, and dividend policy. This course will also cover financial analytical tools, cash flow management techniques, and working capital management.

*Prerequisite: ECON 011 (Microeconomics).*

### Course Format and Requirements:

The basic rules of classroom etiquette apply in this course. There is no talking out of turn or during lectures unless called upon to answer a question. If you have a question you will be given every opportunity to ask for the answer. You are encouraged to ask questions since extra credit may be given for thoughtful questions.



Laptop and cell phone regulation: Please turn off all cell phones during lecture. No texting during class lectures.

## Attendance:

1. Students must attend the majority (90%) of classes. Participation means preparation. Attendance will be taken every day. Student who arrive late should sit at the back to avoid class disruptions.
2. Each student will have 3 (three) free absences, so no grade deduction will be made for the first three absences. Starting from the fourth absence, each unexcused absence will result in an automatic drop in grade. With each unexcused absence your final letter grade will be dropped  $\frac{1}{2}$  a grade – NO EXCEPTIONS (e.g.: A to A-).

## Course Materials:

### 1. In-class Handouts

Readings and cases will be both selected from the optional textbook below and determined by the instructor. Students are not required to buy textbooks. The in-class handouts are the only mandatory course materials.

### 2. Optional Texts:

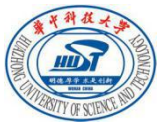
*Fundamentals of Financial Management* (Finance Titles in the Brigham Family) 15th Edition

*Corporate Finance Online*, Eakins and McNally

## Course Assignments:

### Homework Assignments

1. Homework will be signed every week. All assignments must be turned in at the start of class on their due date. Late work will not be accepted.
2. Students are encouraged to work together on the problem sets, but each student must turn in individual work. Problem sets are graded on accuracy as well as on effort.



3. Answers that are vague, difficult to read, or appear incomplete will not receive full credit.

**Quizzes:**

1. There will be 7 quizzes administered through the whole semester and the **two lowest** scores will be dropped. Quizzes will always be completed in the **first ten minutes** of class.
2. The quizzes will consist of True/False and multiple-choice questions. There are no make-up quizzes for any reason.

**Midterm Exam & Final Exam**

1. Exams will be held in class. See the tentative schedule below for the dates. There is absolutely no sharing of information sheets, calculators, or other resources during the exam. Cell phones may not be used as calculators. Any violation of these rules will result in a grade of 0 for all involved parties.
2. *Midterm Exam:* The two Midterm exams will be in-class, close-book and closed notes. No make-up exams unless you can provide valid document. Midterm is non-cumulative.
3. *Final Exam:* The final will be cumulative and close-book. **NO REASON FOR MAKE-UP** final Exam. Note that the final will not be taken during the normal class times. Exact time and location for final will be announced later.

**Course Assessment:**

Homework	15%
Top 5 Quizzes	20%
Midterm Exam1	20%
Midterm Exam 2	20%
Final Exam	25%

**Grading Scale (percentage):**

A+: 98%-100%

A: 93%-97%



A-: 90%-92%

B+: 88%-89%

B: 83%-87%

B-: 80%-82%

C+: 78%-79%

C: 73%-77%

C-: 70%-72%

D+: 68%-69%

D: 63%-67%

D-: 60%-62%

F: Below 60%

### Course Schedule:

Week	Topic	Activities
1	<ul style="list-style-type: none"><li>• Introduction to course and Syllabus</li><li>• Financial Management: -Role of Finance in Business; Business Ethics</li><li>• Financial Markets and Interest Rates: Type of Financial Markets and Institutions</li></ul>	Homework Quiz1
2	<ul style="list-style-type: none"><li>• Financial Statement, Cash Flow, Taxes</li><li>• Analysis of Financial Statements: Ratio</li><li>• Financial Planning and Forecasting</li><li>• Review for Midterm 1</li></ul>	Homework Quiz2 &3 Midterm 1
3	<ul style="list-style-type: none"><li>• Risk and Rates of Return</li><li>• Time Value of Money: - Effective Annual Interest Rate (EAR)</li><li>• Bonds and their Valuation</li><li>• Stocks and their Valuation</li></ul>	Homework Quiz4 & 5



4	<ul style="list-style-type: none"><li>• Investment in Long-Term Assets: Basic Capital Budgeting; payback period</li><li>• Cash Flow Estimation and Risk Analysis</li><li>• Review for Midterm 2</li></ul>	Homework Quiz6 Midterm2
5	<ul style="list-style-type: none"><li>• Capital Structure and Leverage</li><li>• Distributions to Shareholders: dividends and Share Repurchases</li><li>• Working Capital Management</li><li>• Multinational Financial Management</li><li>• Course Summary and Review for Final</li></ul>	Homework Quiz7 Final Exam

***Final Exam (Cumulative): TBA***

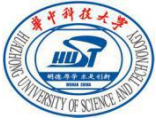
### **Academic Integrity:**

Students are encouraged to study together, and to discuss lecture topics with one another, but all other work should be completed independently.

Students are expected to adhere to the standards of academic honesty and integrity that are described in the Huazhong University of Science & Technology's *Academic Conduct Code*. Any work suspected of violating the standards of the *Academic Conduct Code* will be reported to the Dean's Office. Penalties for violating the *Academic Conduct Code* may include dismissal from the program. All students have an individual responsibility to know and understand the provisions of the *Academic Conduct Code*.

### **Special Needs or Assistance:**

Please contact the Administrative Office immediately if you have a learning disability, a medical issue, or any other type of problem that prevents professors from seeing you have



learned the course material. Our goal is to help you learn, not to penalize you for issues which mask your learning.