

**ASSUMPTION UNIVERSITY
MARTIN DE TOURS SCHOOL OF MANAGEMENT AND ECONOMICS
DEPARTMENT OF FINANCE AND BANKING
COURSE OUTLINE (SEMESTER 2/2011)**

COURSE TITLE : FIN 3701 CORPORATE FINANCE
PREREQUISITE : BF 2700 Finance, Credit and Banking / or
 FIN 2700 Money, Banking and Financial Markets
LECTURERS : A. Khin Zar WH, Dr. Hla Theingi, A. Peerawich, A. Visit P, A. Jiroj B, Dr. Chainarin S, A. Teerapong P. and A. Vesarach

******* This subject is for both New and Old Curriculum students. *******

******* The subject is equivalent to BF3701 Corporate Finance. *******

MSM&E'S VISION AND MISSION

VISION:

To be the leading international business school in the ASEAN region providing high quality business education to enable graduates to make invaluable contributions to organizations and society.

MISSION:

To shape our students into independent-minded graduates who are well-versed in business, able to communicate effectively, tech savvy, innovative, and ethical to successfully face global challenges.

COURSE DESCRIPTION:

The course is an introduction to financial management by corporations. It provides a comprehensive overview from managerial perspectives such as the time value of money, management of working capital, planning the needs for short-term and long-term funds and raising the funds, stock and bond valuation, determination of cost of capital, and risk/return trade off that must be considered in using financial leverage.

COURSE OBJECTIVES:

1. To describe and outline the goal of firms, a framework for the maintenance and creation of wealth, and the axioms on which finance is based,
2. To identify, discuss, and apply the mechanics of compounding, time value of money, annual percentage yield, and effective annual rate,
3. To discuss the basic natures and the valuation method of bonds, preferred stock, and common stocks, the cost of long-term funds raised from these instruments, and cost of short-term financing,
4. To evaluate a project's attractiveness by analyzing expected cash flows and employing various analytical techniques,
5. To assess the firm's current financial position based on the information from its financial statements and to maximize the shareholders' wealth,
6. To discuss and analyze a firm's financial structure, and cost structure and how these structures influence the firms,
7. To discuss about the concepts of a firm's working capital, cash, and marketable securities.

TEXT BOOK:

Sheridan Titman, Arthur J. Keown, John D. Martin, **Financial Management: Principles and Applications** 11th edition, Pearson & Prentice Hall Inc., New Jersey, 2011

MARK ALLOCATION*:

Quiz 1	10%
Quiz 2	10%
Participation	5%
Midterm examination	35%
Final examination	<u>40%</u>
Total	100%

Notes:* See also classroom policies

- **Financial calculators are allowed in quizzes and exams.**

SCHEDULE FOR QUIZZES AND EXAMINATIONS:**

	Day Program			Evening Program		
	Date	Time	Place	Date	Time	Place
Quiz 1	January 7, 2012	13.30 – 14.30	S	January 7, 2012	17.30 – 18.30	H
Quiz 2	March 10, 2012	13.30 – 14.30	S	March 10, 2012	17.30 – 18.30	H
Midterm	January 16, 2012	15.00 – 17.00	S	January 25, 2012	18.00 – 20.00	H
Final	March 20, 2012	09.00 – 12.00	S	March 27, 2012	18.00 – 21.00	H

Note:**

- Please recheck dates and time prior to all exams.
- **Quizzes:** All day program sections are conducted at Suvarnabhumi (S) Campus. Evening program section is conducted at Huamak (H) campus.
- **Exams:** Exams are conducted at the campus of your respective class, Suvarnabhumi (S) or Huamak (H) campus.
- **Students will not be admitted to all quiz and exam rooms later than 10 minutes after the quizzes and exams start. ***

Make-up Quizzes:

- Students requesting for make-up quizzes need to submit their names with valid evidence (e.g. registration record and payment slip, permission letter from an authorized person for ABAC related issues only) before the following dates. Failure to do so, the students will NOT be allowed to take the make-up quizzes.
 - **Quiz 1 : December 19, 2011 (Mon)**
 - **Quiz 2 : February 20, 2012 (Mon)**
- **Schedule for make-up quiz at Hua Mak Campus:**
 - **Quiz 1: January 7 , 2012 Time: 17:30 – 18:30**
 - **Quiz 2: March 10 , 2012 Time: 17:30 – 18:30**

COURSE SCHEDULES:

Period	Topics to be covered:	Reading
1-2	Getting started – Principles of finance	Ch.1
3-4	Time value of money – The basics	Ch.5
5	Time value of money – Annuities and other topics	Ch.6
6-7	Debt valuation and interest rates	Ch.9
8-9	Stock valuation	Ch.10
***** Quiz I *****		
10-11	The cost of capital	Ch.14
12-14	Understanding financial statements and cash flows	Ch.3
***** Midterm Examination *****		
15-17	Financial analysis – Sizing up firm performance	Ch.4
18-19	Analysis and impact of leverage (handout)	Ch.15
20-21	Working-capital management	Ch.18
***** Quiz 2 *****		
22-23	Cash flows and other topics in capital budgeting (handout)	Ch.10
24-25	Capital budgeting investment decision criteria	Ch.11
26-27	Capital budgeting and risk analysis (handout)	Ch.11
28	Revision	
***** Final Examination *****		

CLASSROOM POLICIES:

- **Students need to comply with AU Dress Code, Time Conflict Examination Regulations, Laws on Smoking Cigarette, and Restrictions on Foods and Drinks V10.1, June 2010.**
- **Attendance policies:**
 - 2 times of ten-minute late for class is considered as 1 absence.
 - Make-up classes are not allowed.
 - 80% attendance is strictly required regardless of any reason.
 - No checking attendance for other classmates. Violation of the policies will result in being automatically withdrawn from the class.
 - Attendance is counted since the first day of class regardless of any reason.
- **Manner in class:**
 - Behave in a polite manner
 - Pay respect to instructors and class participants
 - Turn off all communication devices
 - Do not leave and re-enter the classroom
 - **Prohibited manner:** Eating, drinking, chatting, talking on the phone, text-messaging, sleeping, reading other materials, doing other subjects' assignments/homework, walking in-out, etc.
 - Improper behavior will result in no attendance checked.
- **Dress code:**
 - Follow AU dress code
 - Improper dress code will result in no attendance checked.
- **Class assignments (Homework, reports, project, presentation, paper, etc.):**
 - No Plagiarism.
 - The students copying works from all sources will be penalized – “Zero” marks or “F” grade.
 - Hand in all class assignment on time, both soft copy and hard copy.
 - **Late submission will not be graded.**
- **Class participation:**
 - Be participative and attentive in class
 - The students are also required to comply with all classroom policies.
 - Violation of the classroom policies will result in “zero” or “negative” participation marks and/or “no attendance” checked.
- **Request for make-up quizzes (if applicable):**
 - The students requesting for the make-up quizzes need to submit their names with valid evidence (ABAC related issues) to the respective lecturer within the specified dates.
 - Failure to do so, the students will NOT be allowed to take the make-up quizzes.
- **Grade inquiry:**
 - The students can request for a review for their marks or grades.
 - The students need to submit petition to the respective Chairperson at D6 or CL27 within 2 weeks after their marks or grades have been officially announced. Petition submitted after the specified period will NOT be considered.
 - **Reevaluation process:** The students' class assignments or exam answer scripts will be reevaluated by the internal committees assigned by the respective department. Please note that the students' marks may or may not be adjusted after the reevaluation process and it is considered as a “final consensus” between the students and the committees.

**February 27, 2012 (Monday) : Last day to withdraw with “W”
(Withdrawing after this date, the students need a chairperson’s approval.)**