

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

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

**Martin de Tours School of Management and Economics' 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 TITLE : FIN 3724 Financial Feasibility Planning**

**PRE-REQUISITE : FIN 3701 Corporate Finance**

**LECTURER : A. Vesarach Aumeboonsuke**

**CLASS TIME & PLACE : Monday & Wednesday, 15:30 – 17:15, MSM0605**

**COURSE DESCRIPTION**

This is an application-oriented course which combines theories with practice to evaluate structure, procedures and data of an investment project in order to evaluate its feasibility. Topics include the relationship between financial feasibility and other operating factors such as marketing, economy, and interpretation of information for the purpose of making decisions.

**COURSE OBJECTIVES**

The students will be able to do feasibility planning for investment projects and make a proper capital budgeting decision by using different capital budgeting evaluation techniques and taking risk into consideration.

**TEXT BOOK**

Capital Budgeting: Theory & Practice, 1<sup>st</sup> Edition, Pamela P. Peterson, Ph.D., CFA & Frank J. Fabozzi, Ph.D., CFA, John Wiley & Sons

**MARK ALLOCATION\* (\* See also classroom policies)**

<b>Criteria</b>	<b>Allocation</b>
<b>Midterm Exam</b>	<b>30 %</b>
<b>Final Exam</b>	<b>45 %</b>
<b>Group Project</b>	<b>20 %</b>
<b>Assignments</b>	<b>5 %</b>
<b>Total</b>	<b>100%</b>

**COURSE SCHEDULES**

Chapter	Topic (s)	# Period (s)
<b>Section I. Making Investment Decisions</b>		
1	The Investment Problem and Capital Budgeting	1
2	Cash Flow Estimation	1
3	Integrative Examples and Cash Flow Estimation in Practice	2
<b>Section II. Capital Budgeting Evaluation Techniques</b>		
4	Payback and Discounted Payback Period Techniques	2
5	Net Present Value Technique	2
6	Profitability Index Technique	1
7	Internal Rate of Return Technique	1
8	Modified Internal Rate of Return Technique	2
9	Comparing Evaluation Techniques	2
<b>Section III. Capital Budgeting and Risk</b>		
10	Measurement of Project Risk	2
11	Incorporating Risk in the Capital Budgeting Decision	2
<b>*** MIDTERM EXAM (24 January 2012, 09:00 – 11:00) ***</b>		
<b>Section IV. Analyzing the Lease Versus Borrow-to-Buy</b>		
12	Valuing a Lease	1
13	Uncertainty and the Lease Valuation Model	2
14	Generalization of the Lease Valuation Model	2
	<b>Project Presentation</b>	4
<b>*** FINAL EXAM (29 March 2012, 09:00 – 12:00) ***</b>		

**Note:**

- Please re-check dates and time prior to all exams.
- The students will not be admitted to all quizzes' and exams' rooms later than 10 minutes after the quizzes and exams start.

**Group Project**

Prepare financial feasibility planning report of a project and present to the class.

**Topic Task**

<b>Topic Task</b>	<b>Due Date</b>
1. Front cover: Project name, Name & ID of 6 members	16 December 2011
2. Project overview	
3. Industry & market Analysis (10 marks)	27 January 2012
4. Cash flow estimations & project evaluation (10 marks), full report	24 February 2012
5. 20 – 30 minutes Presentation (5 marks)	27 February – 14 March 2012

Submit each topic with front cover before 4 pm of each due date at SM320

**Contents of full report (example)**

1. Front cover
2. Project overview
  - Vision & Mission
  - Project objective
3. Industry & Market analysis
  - Five forces analysis
  - Competitors
  - Target customer
  - Marketing Mix (product/service, price, place, promotion, etc.)
  - SWOT analysis
4. Cash flow estimations & project evaluation
  - Cash flow estimations
  - NPV, PI
  - Payback, Discounted Payback Period
  - IRR, MIRR
5. Recommendation & Conclusion
6. Appendix (news, other graphs-tables, etc.)
7. References (books, websites)

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