

# Financial Management (BUS 365)

**Professor: Joung Hwa Choi**

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**Class Time: MoWe 10:30-11:50 AM**

**Classroom: TBA**

**Office hours: Fr 8:30 AM -12:30 PM**

**Course Description:** The objective of this course is to introduce intermediate topics in corporate finance. Various financial management techniques and analyses for improving business decision-making will be explored in this course. Topics include project evaluation, debt and equity funding, capital structure, long and short-term financing decisions, payout policy, and risk management with derivatives. In addition, students will learn about implicit options embedded in many financial decisions. Topics on M&A may be covered with business cases.

**Pre-requisites:** ECO 108, BUS330

**Textbook:** The textbook for this course is Ross, Westerfield, Jordan, *Fundamentals of Corporate Finance*, McGraw Hill. Lecture notes and other materials related to the class can be downloaded from the blackboard.

**Evaluation and Grading:** Evaluation will be based on

Course Component	Weighting A (normal case)	Weighting B (who miss quiz)	Weighting C (who miss midterm or final exam)
Attendance	10%	10%	10%
Case Presentation (Peer Review)	15%	15%	15%
Midterm 1	25%	<del>15%</del>	25%
Midterm 2	25%	<del>30%</del>	<del>20%</del>
Final	25%	<del>30%</del>	<del>30%</del>
Class participation	upto 5 points to the final score (additionally)	upto 5 points to the final score (additionally)	upto 5 points to the final score (additionally)

**Final Grade:** At the end of the semester, students can pick the higher one for the final letter grade. The two letter grades are evaluated according to the following two schedules. +/- will be given at my disposal.

A	top 30% of the class	A	90 points and up
B	the next 35% of the class	B	75 to less than 90
C	the next 30% of the class	C	55 to less than 75
D&F	the rest	D&F	the rest

### Course Outline

Week	Date	Financial Management (BUS 365)	Reading Assignment
Week 1	Feb. 21	Orientation	Ch. 14
	Feb. 23	Cost of Capital (Ch. 14)	
Week 2	Feb. 28	Basics of Capital Budgeting	Ch. 10
	Mar. 2	Capital Investment Decisions (Ch. 10)  Presidential Election Day: No class	
Week 3	Mar. 7		
Week 4	Mar. 9		
	Mar. 14	Ch. 11 Case 1	
Mar. 16	Project Analysis and Evaluation (Ch. 11)		
Week 5		Mar. 21	
Week 6	Mar. 23		
	Mar. 28	CASE 1: HBC_Capital budgeting presentation	Ch. 15
Mar. 30	Midterm 1		
Week 7	Apr. 4	Rasing Capital (Ch. 15)	Ch. 16
	Apr. 6		
Week 8	Apr. 11	Financial Leverage and Capital Structure Policy (Ch. 16)	Ch. 17
Week 9	Apr. 13		
	Apr. 18	Dividends and Payout Policy (Ch. 17)	Case 2
Apr. 20			
Week 10	Apr. 25	Case 2 Discussion and Preperation, Q&A (Buffer hours)	Ch. 18
	Apr. 27	CASE 2: HBC_IPO_presentation	
Week 11	May 2	Midterm 2	Ch. 23
	May 4	Short-term Finance and Planning (Ch. 18)	
Week 12	May 9	Adjustment Day: No class	Ch. 24
	May 11	Short-term Finance and Planning (Ch. 18)_Cont.	
Week 13	May 16	Enterprise Risk Management (Ch. 23)	Case 3
Week 14	May 18		
	May 23	Options and Corporation Finance (Ch. 24)	Case 3
May 25			
Week 15	May 30	Local Elections Day: No class	Case 3
	Jun. 1		
Week 16	Jun. 6	Memoral Day: No class	Case 3
	Jun. 7 (Tue)	Correction Day: Wedensday's schedule; CASE 3: HBC_Hedging_presentation	
Week 17	Jun. 15 (Wed)	Final 9:00-11:30 AM	

- The class format is subject to change according to the government's social distance policy.