



FIN 021: Introduction to Finance

Term: 2020 Winter Session

Instructor: Staff

Language of Instruction: English

Classroom: TBA

Office Hours: TBA

Class Sessions Per Week: 6

Total Weeks: 4

Total Class Sessions: 25

Class Session Length (minutes): 145

Credit Hours: 4

Course Description:

We will study a variety of issues in this course, including time value of money, interest rates, present & future value; principles of valuation; management of cash flow, financial markets; investment evaluation; basic securities, stock and bond valuation; risk and return analysis; capital budgeting.

Prerequisite: ECON 011 (Microeconomics).

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 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:

Students must attend the majority (90%) of classes. Participation means preparation. Attendance will be taken every day. 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 absences 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-).

Grading Scale:

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 Assignments:

Homework Assignments

All assignments must be turned in at the start of class on their due date. Late work will not be accepted. 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. Answers that are vague, difficult to read, or appear incomplete will not receive full credit.

Quizzes:

There will be 6 quizzes administered through the whole semester and the lowest score will be dropped. Quizzes will always be completed in the first ten minutes of class. The quizzes will consist of True/False and multiple-choice questions. There are no make-up quizzes for any reason.

Midterm Exam & Final Exam

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.

The two midterm exams will be in-class, close-book and non-cumulative.

The final will be cumulative and close-book. 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	10%
Quizzes (5 out of 6)	15%
Midterm Exams 1	20%
Midterm Exams 2	20%
Final Exam	35%
Total	100%

Course Schedule:

Week 1- Class 1	Week 1- Class 2
Course Overview Go through Syllabus Introduction to Finance Introduction to Financial Markets	An Overview of Financial Management Financial Markets and Institutions Financial Statements



Week 1- Class 3	Week 1- Class 4
<u>Quiz 1</u> Financial Statements Cash Flow Taxes Analysis of Financial Statements	Analysis of Financial Statements - continued Time Value of Money
Week 1- Class 5	Week 1- Class 6
Present Value Opportunity Cost of Capital	<u>Quiz 2</u> Time Value of Money - continued Interest Rates
Week 2- Class 7	Week 2- Class 8
Interest Rates - continued Annuities and loans	The Basics of Capital Budgeting Review for Midterm 1
Week 2- Class 9	Week 2- Class 10
<u>Midterm 1</u>	Valuing financial securities: Bonds
Week 2- Class 11	Week 2- Class 12
Valuing financial securities: Equity	<u>Quiz 3</u> Diversification Risk and rates of return Stocks and their valuation
Week 3- Class 13	Week 3- Class 14
Risk and Rates of Return - continued Stocks and Their Valuation - continued	<u>Quiz 4</u> Portfolio theory Choosing a portfolio The Cost of Capital
Week 3- Class 15	Week 3- Class 16
The Cost of Capital - continued The Basics of Capital Budgeting	<u>Quiz 5</u> The Capital Asset Pricing Model - continued



The Capital Asset Pricing Model	Efficient markets Debt markets Equity markets
Week 3- Class 17	Week 3- Class 18
Efficient markets - continued Debt markets - continued Equity markets - continued	Cash Flow Estimation Risk Analysis Catchup Review for Midterm 2
Week 4- Class 19	Week 4- Class 20
<u>Midterm 2</u>	Capital structure and leverage Distributions to shareholders
Week 4- Class 21	Week 4- Class 22
Capital structure and leverage - continued Distributions to shareholders - continued	<u>Quiz 6</u> Working capital management Risk management
Week 4- Class 23	Week 4- Class 24
Forward and futures contracts Multinational financial management	Financial institutions and policy The international parity conditions
Week 4- Class 25	<u>Final Exam (Cumulative): TBA</u>
Summary of semester Review for final exam.	

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 Shanghai Normal University'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.