



HANYANG UNIVERSITY

Hanyang International Summer School

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	Home University	Western Kentucky University				
	Department	Gordon Ford College of Business				
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Course Information	Class No.	18031	Course Code	ISS1180	Credits	3
	Course Name	Financial Management and Decision-Making				
	Lecture Schedule	Tue-Fri / 09:00~12:00				
	Course Description	<p>This is an <u>introductory</u> course that presents the basic principles used in financial management and their applications in the long-term investment and financing. These principles are characterized in time value of money and relation between risk and return. Once the students acquire the basic knowledge on these principles, they will learn how to apply their knowledge to the valuation of stocks and bonds, financial planning, capital budgeting, long-term financing, capital structure, and dividend policy and risk management.</p> <p>* Upon completing this course, the students ought to be able to make basic decisions regarding which project to take, and if so, when; how to finance a project; how much of payouts, in what form, to make; how much debt to carry; and how to hedge away potential risks associated with basic operations of a firm. This course also lays foundation for more advanced investment and corporate finance topics to be taught in the higher-level finance courses.</p> <p>* The focus of the course is on decision-making. To make the course interesting, this course relates the financial management concepts to what is happening in practice and how to make financial decisions. The course covers a number of real-world examples and provides the students with hand-on experiences with various entertaining but insightful accounting and business games.</p> <p>Field Trip / Invited Speaker</p> <p>Depending on the schedule and students' interest, the instructor may be able to arrange a 2-3 hour field trip for the students to get the "feel" of the financial market/industry. Students have an opportunity of hearing from financial experts about how financial markets functions, how to invest and employment opportunities as well. Alternatively, we can arrange to invite a financial expert to speak in class.</p>				

	Course Objective	<ul style="list-style-type: none"> • Develop critical thinking skills of financial concepts. • Familiarize with the types of the decisions that typically confront financial managers. • Understand the risk–return relationship and time value of money in corporate investing and financing decisions and in financial investments. • Ensure that students are competent in the utilizing knowledge of analytical techniques commonly employed in the financial decision-making process. • Learn decision-making theories to utilize various information for making financial and business decisions in specific and abstract situations. 		
	Prerequisite	* No prerequisite required. -		
	Materials/Textbooks	<p>* Required: <u>Lecture notes (chapter outlines), practice questions, solutions for homework, and other materials</u> related to the course are <u>provided by the instructor</u>.</p> <p>* Recommended Textbook: <u>Essentials of Corporate Finance</u>, 11th ed. by Jordan, Westerfield and Ross, McGraw-Hill Irwin, 2023</p> <p>* 2020's 10th edition <u>is acceptable. It is readily available internationally, very affordable and virtually the same as the most current one</u>.</p>		
Evaluation	Attendance	10%	Quiz	%
	Assignment	15%	Mid-term Exam	35%
	Presentation	%	Final Exam	40%
	Group Project	%	Participation	Extra Credit
	Etc.	Evaluation Item		Ratio
				%
				%
Daily Lecture Plan	Week 1	Day 1	I. Overview of Corporate Finance Ch. 1: Introduction to Financial Management	
		Day 2	II. Valuation of Future Cash Flows Ch. 4: Introduction to Valuation: Time Value of Money	
		Day 3	Ch. 5: Discounted Cash Flows	
		Day 4	Ch. 6: Application: Interest Rates and Bond Valuation	
	Week 2	Day 1	Ch. 7: Application: Stock Valuation	
		Day 2	III. Capital Budgeting Ch. 8: Capital Budgeting: Decision Criteria	
		Day 3	Mid-Term Exam	
		Day 4	IV. Risk and Return in Capital Market Ch. 10: Some Lessons from Capital Market History	

	Week 3	Day 1	Ch. 11: Return, Risk, and the Security Market Line
		Day 2	V. Cost of Capital and Financial Policy Ch. 12: Raising Capital and Cost of Capital
		Day 3	IV. Risk and Return in Capital Market Ch. 10: Some Lessons from Capital Market History
		Day 4	Ch. 13: Capital Structure and Financial Leverage
	Week 4	Day 1	VI. Financial Statements Ch. 2: Financial Statements and Cash Flows Ch. 3: Financial Statement Analysis
		Day 2	V. Decision Making Theory HO: Decision-Making Under Uncertainty Risk, Risk Preference, Value of Perfect Information Special Session, Game, and Comprehensive Review
		Day 3	Final Exam
		Day 4	Graduation