



HANYANG UNIVERSITY

Hanyang International Summer School

Financial Management

Professor: **Minwoo Lee**
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Home Univ.: Western Kentucky University
Dept.: Gordon Ford College of Business

Description: This course introduces 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.

* 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.

Field Trip / Invited Speaker

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.

Objectives:

- 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

Preparations:

- * No prerequisite required.
- * Textbook: Essentials of Corporate Finance, 9th ed. by Jordan, Westerfield and Ross, 2017, McGraw Hill-Irwin.
- * Lecture notes (chapter outlines), practice questions, solutions for problems, and other materials related to the course are provided by the instructor. Additional materials are to be provided as needed.

Credits	3	Contact Hours	45
Week 1	Day 1	HISS Orientation	
	Day 2	I. Overview of Corporate Finance Ch. 1: Introduction to Financial Management	
	Day 3	II. Valuation of Future Cash Flows Ch. 4: Introduction to Valuation: Time Value of Money	
	Day 4	Ch. 5: Discounted Cash Flows	
Week 2	Day 1	Ch. 6: Application: Interest Rates and Bond Valuation	
	Day 2	Ch. 7: Application: Stock Valuation	
	Day 3	III. Capital Budgeting Ch. 8: Capital Budgeting: Decision Criteria	
	Day 4	Ch. 9: Capital Investment Decisions	
Week 3	Day 1	Mid-Term Exam	
	Day 2	IV. Risk and Return in Capital Market Ch. 10: Some Lessons from Capital Market History	
	Day 3	Ch. 11: Return, Risk, and the Security Market Line	
	Day 4	V. Cost of Capital and Financial Policy Ch. 12: Raising Capital and Cost of Capital	
Week 4	Day 1	Ch. 13: Capital Structure and Financial Leverage	
	Day 2	VI. Financial Statements Ch. 2: Financial Statements and Cash Flows Ch. 3: Financial Statement Analysis	
	Day 3	Special session, Game, and Comprehensive review	
	Day 4	Final Exam	

Evaluation(%)	Midterm	Final	Attendance	Assignments	Participation	Etc.
	35	40	10	15	10	