

The University of Hong Kong
Bachelor of Management Studies
MS19-601-15/93: Finance
SYLLABUS

Course Objective: The purpose of this course is to provide a general overview of financial management in the firm. Emphasis will be placed on learning the fundamental concepts and techniques used in financial decision-making.

Textbook: There are no required texts for this class but the following are recommended.

- Brigham, E. and M. Ehrhardt (BE), *Financial Management: Theory and Practice*, 11th edition, Southwestern-Thomson, 2005.
- Brealey, R., S. Myers, and A. Marcus (BMM), *Fundamentals of Corporate Finance*, 5th edition, McGraw-Hill, N.Y., 2007

I do not teach out of a textbook and I will cover all the basic concepts you need to know for the course in lectures. The textbook will serve as a source of reference and something for you to fall back on in case you need further clarifications.

Assessment:

- Assignments (20% total)
- Mid-term Test (20%)
- Final Exam (60%)

Course Information:

- Anyone involved with business management in any capacity needs to have at least some knowledge of business finance. Our primary objective is to introduce you to basic financial concepts, such as the time value of money, risk and return, valuation of securities, asset pricing, and capital budgeting.
- Finance is quantitative in nature, so you need to be comfortable with equations and formulas. Basic algebra is a must; working knowledge of probability and statistics will be very helpful. Please be forewarned that if you have not taken QM I or its equivalent, you may have difficulties in this class.
- I operate on the assumption that you will attend all lectures. If you have to miss a lecture for whatever reason, please take responsibility of getting the notes or any class announcements.
- Assignments will be posted on SOUL at least one week in advance. All assignments are to be turned in on their due dates in class. A 20% penalty will be assessed for any late submission.
- Practice problems (with solutions) will be posted on SOUL. They are not to be turned in for grading, but I highly recommend that you work through **all** of them.
- Electronic / financial calculators are permitted on examinations, provided that they are non-programmable.

Contact Information:

Fred Luk fkyluk@gmail.com

Course Outline and Reading:

The course outline below corresponds roughly to our weekly meeting. *The course content and schedule, however, may be subject to change if circumstances require.*

Week	Date	Topic	Reading	
			<u>BE</u>	<u>BMM</u>
1	March 24, 2010	Introduction and Overview	Ch. 1	Ch. 1, 2
2	March 31, 2010	Time Value of Money	Ch. 2	Ch. 4
3	April 7, 2010	Bonds and Their Valuation	Ch. 6	Ch. 5
4	April 14, 2010	Introduction to Risk and Return	Ch. 4	Ch. 10
5	April 21, 2010	Theory of Portfolio Choice Assignment #1 due in class	Ch. 5	Ch. 11
6	April 28, 2010	Capital Asset Pricing Models	Ch. 5	Ch. 11
	May 2, 2010	Sunday: Revision Session I		
7	May 5, 2010	Mid-term Test		
8	May 12, 2010	Stocks and Their Valuation	Ch. 7	Ch. 6
9	May 19, 2010	The Cost of Capital Assignment #2 due in class	Ch. 9	Ch. 12
10	May 26, 2010	Project Evaluation	Ch. 10	Ch. 7-9
11	June 2, 2010	Distribution Policy	Ch. 18	Ch. 16
	June 6, 2010	Sunday Revision Session II		