

NANYANG TECHNOLOGICAL UNIVERSITY

NANYANG BUSINESS SCHOOL

AB1201

Financial Management

A) Course Aims/Description

This course aims to provide business and accounting students with a broad understanding of all the important financial principles, concepts, and analytical tools. This is a first course in finance and is compulsory for all business and accounting students. For students intending to major in banking and finance, this course is an important foundation course in order to better prepare themselves for other advanced courses such as Advanced Corporate Finance, Financial Markets and Institutions, International Financial Management, Investments, Equity Securities, Fixed Income Securities, and Derivatives Securities.

B) Intended Learning Outcomes (ILO)/Objectives

By the end of this course, you should be able to:

1. Explain the fundamental concepts in Finance such as organisation's financial goal, time value of money, risk and return, financial markets and institutions, cost of capital, capital budgeting, lease and buy decision, etc.
2. Describe alternative sources of finance and investment opportunities.
3. Calculate the value of financial assets such as stocks and bonds.
4. Work effectively with others in a group setting.
5. Identify problems and create process to solve problems with critical and creative thinking.
6. Access a variety of financial information and data sources, and use this information to research and assess corporation.
7. Apply concepts learnt in class into real-world finance issues and problems.
8. Identify ethical dilemmas and develop appropriate courses of action that consider the well-being of others and society.

C) Course Content

An Overview of Financial Management
Time Value of Money
Financial Markets and Institutions
Financial Statements, Cash Flow, and Taxes
Interest Rates
Bonds and Their Valuation
Risk and Rates of Return

Stocks and their Valuation
 Stock Market Efficiency
 The Cost of Capital
 The Basics of Capital Budgeting
 Cash Flow Estimation and Risk Analysis
 Lease or Buy Decision
 The Optimal Capital Budget
 Capital Structure and Leverage
 Distributions to Shareholders

D) Assessment (includes both continuous and summative assessment)

| Component | Weightage | Team/Individual |
|---|------------------|------------------------|
| 1. Coursework: Class participation* | 10% | Individual |
| 2. Coursework: Class presentation (total 15%) 2 a) Seminar presentation** | 5% | Group/individual |
| 2 b) Group project presentation** | 10% | Group/individual |
| 3. Coursework: Online assignments | 5% | Individual |
| 4. Coursework: Mid-term quiz | 20% | Individual |
| 5. Final Examination | 50% | <u>Individual</u> |
| 6. Total | 100% | |

E) Planned Weekly Schedule

| Week | Topic |
|------|--|
| 1 | An Overview of Financial Management |
| 2 | Time Value of Money |
| 3 | Financial Markets and Institutions Financial Statements, Cash Flow, and Taxes Interest Rates |
| 4 | Bonds and Their Valuation |
| 5 | Risk and Rates of Return |
| 6 | Stocks and their Valuation Stock Market Efficiency |
| 7 | The Cost of Capital |
| 8 | Common Quiz on 8 Oct (Tuesday) The Basics of Capital Budgeting |
| 9 | Cash Flow Estimation and Risk Analysis Lease or Buy Decision The Optimal Capital Budget |
| 10 | E-Learning Week (No physical seminar class) SME Financing & Careers in Finance |
| 11 | Capital Structure and Leverage |
| 12 | Distributions to Shareholders |
| 13 | Revision/Course Wrap Up |