

NANYANG TECHNOLOGICAL UNIVERSITY
NANYANG BUSINESS SCHOOL

BU8201 Business Finance

A) Course Aims/Description

This course provides non-business and non-accounting students with an overview of the basic theories and practice of Business Finance/Financial Management. Whatever the size of the company and its industry, or the role of the job, understanding of corporate finance is crucial to the success of the individual and the financial viability of the corporation.

This is a basic course in finance with emphasis on the major financial decisions made by companies and the valuation of investments made by them. Topics include fundamental concepts of risk and return, time value of money, interest rates, bond and stock valuation, corporate financing choices including techniques for investment analysis (capital budgeting), financing policy (capital structure), and dividend policy.

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

1. An Overview of Financial Management
2. Time Value of Money
3. Financial Markets and Institutions, Financial Statements, and 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. The Basics of Capital Budgeting
9. Cash Flow Estimation and Risk Analysis, Lease or Buy Decision
10. The Optimal Capital Budget
11. Capital Structure and Leverage
12. Distributions to Shareholders

D) Assessment (includes both continuous and summative assessment)

| Component | Weightage | Team/Individual |
|--|-----------|-----------------|
| 1. Final Examination | 60% | Individual |
| 2. Mid-term Quiz | 20% | Individual |
| 3. Seminar Presentation | 10% | Team |
| 4. Participation (Online and In-class) | 10% | Individual |
| 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 |
| | Recess Week |
| 8 | Capital Budgeting |
| 9 | Cash Flow Estimation and Risk Analysis Lease or Buy Decision The Optimal Capital Budget |
| 10 | Online Quiz during Seminar Hour |
| 11 | Capital Structure & Leverage |
| 12 | Distribution to Shareholders |
| 13 | Course Wrap Up |
| 14 | Revision/Consultation Seminar |