



**International Business Management Program
Faculty of Business Administration
First Semester, Academic Year 2014**

I. Course Code: FN209
Course Title: Business Finance
Course Type: Business Core course
Number of Credits: 3(3-0-6)
Prerequisite: AC111 or IBM111
Class Time: TBA
Course website: <https://sites.google.com/site/payapfn209>

II. Course Description

Financial goals and functions of financial management, financial statement analysis, financial planning and forecasting, working capital management, capital budgeting, sources of funds, cost of capital, and dividend policy.

III. Instructor: **Wutthipong Chuatrakul**
Position: -
Email: wutthipong_c@payap.ac.th; chautrakul@yahoo.com
Telephone: ext.7214

IV. Course Objectives

Upon completing this course, students should be able to:

- 1.1 Identify the goals of firm and develop an awareness of the responsibilities of financial managers.
- 1.2 Understand the importance of owner wealth maximization as a goal and relate it to valuation concepts associated with risk and return.
- 1.3 Measure profitability, asset utilization, liquidity, debt utilization and to identify the true sources of return on assets, return to stockholders and to analyze a company to its past performance and to its industry.
- 1.4 Understand the different amounts of current assets and current liabilities affect firms' profitability.
- 1.5 Discuss how the cash budget is constructed and determine the financing plan for current assets.
- 1.6 Estimate the costs of different capital components - debt, preferred stock, retained earnings, and common stock and combine the different component costs to determine the firm's WACC.
- 1.7 Develop the ability to make appropriate investment decision, financing decision and dividend decision.

V. References

Required: Hirt, G. A., Block, S. B., Danielsen, B. R. (2014). Corporate Finance Foundations: Global Edition. New York: McGraw-Hill Irwin.

Supplemental reading:

1) Books

- Titman, S. J., Keown, A. J., & Martin, J. D. (2014). Financial Management: Principles and Applications. USA: Prentice Hall.
- Keown, A. J., Martin, J. D., & Petty, J. W. (2014). Foundations of Finance The Logic and Practice of Financial Management. USA: Pearson Education International.
- McGuigan, J. R., Kretlow, W. J., & Moyer, R. C. (2014). Contemporary Corporate Finance. Australia: Thomson South - Western.

2) Journals

Boulter, Terry and Wongchan, Vanlapa. (2013). Thai hedging practices post-Asian financial crisis, *Review of pacific basin financial markets and policies*, Vol16, no.1, pp.1-21, World Scientific Publishing, Singapore.

Journal of Applied Corporate Finance. (Spring 2012). Vol.24, no.2, A Morgan Stanley Publication, New York, USA.

3) Website

http://www.mckinsey.com/insights/corporate_finance

VI. Expectations

1. All students will arrive to class on-time and be ready to learn.
2. Be able to demonstrate critical evaluation and communication skills relating to the scope, methodology, role and objectives of fundamental of business finance.
3. Students should normally expect to spend more than 80 hours engaged in self-study learning.
4. Ability to complete assignments, individual work, group report, or other methods as outlined at least in acceptable level.
5. The course website should be accessed regularly to follow postings and schedule changes.

VII. Course Policies

1. Academic Honesty

The IBM department has a zero tolerance for plagiarism. This includes downloaded material from the Internet, copied passages from a book or a fellow classmate without proper acknowledgment of the source(s). Breaches of academic integrity which includes submitting other peoples work as your own will result in an automatic grade of zero for the assignment/ exam, and may be reported to the judicial affairs officer. All students are responsible for learning the proper forms of citation required by the course instructor

2. Handing in Assignments

Unless otherwise noted, all assignments are due in class, on the date specified, and typed. Please use 12 point font and 1.5 spacing between lines. Late assignments suffer a 50% penalty, starting at the end of the class on the due date; no late assignments will be accepted more than 1 week after the due date.

3. E-mail

I do welcome questions and will provide input to you over email. Additionally, for help on assignments, come to office hours or schedule an appointment to see me.

4. Attendance

Regular attendance is expected for all students enrolled in the course. Students who arrive late or leave early will be counted as late and three will equal an absence. Every student is responsible for all material covered in class when absent. Students who miss more than 80% of the classes will not be eligible to take the final examination.

5. Disruptions to class

Your participation in class discussions on material and questions is important, welcome and integral to the class. However, I do not tolerate cross talk or disruptive conversations during class. Private conversations in class are disruptive, and prevent other students from hearing and learning from the material presented. You may be asked to leave the class if you are disruptive to other students. All mobiles must be turned to silent and put away. You can only use your electronic devices (Ipad, Netbooks, etc.) if they are being used to follow the lecture PowerPoints or research relevant information to the topic being discussed.

III. Course Assessment Scheme

1) Participation (5%)

Due: Every week.

Details: Students contributed to activity by offering ideas and suggestions, posting on Class Blog and reading supplementary inclusive.

2) Quizzes (10%)

Due: 5 times in the semester.

Details: Students will be evaluated on their responses to FIVE 20-minute written short answer quizzes. Each quiz will be graded out of a total of 20 marks (2%). Students who miss a quiz will receive a ZERO (0) point. Questions will be based on the lecture topics presented over the previous weeks for example, if your tutorial quiz occurs in week 5, this will cover the lecture topics from weeks 1, 2, 3 and 4 inclusive.

3) Assignment (10%)

Due: Every week.

Details: Students are expected to submit the assignment before attending the lecture class. Students who do not submit the assignment over than FIVE (5) times, a ZERO (0) point will immediately recorded for this assessment.

4) Midterm examination (25%)

Due: The Payap University Midterm examination period.

Details: The midterm examination is a 2 hours closed book examination covering all course material (textbook readings, lecture notes and other assigned readings).

5) Final examination (35%)

Due: The Payap University Final examination period.

Details: The midterm examination is a 3 hours closed book examination covering all course material (textbook readings, lecture notes and other assigned readings).

IX. Course Grading & Requirements

Class grading will be based on points in the following distribution (Percent):

Participation	5%
Quizzes	10%
Assignment	10%
Midterm examination	20%
Final examination	30%
Group report	15%
Presentation	10%

X. Evaluation Criteria

1. Students are required to attend at least 80% of the classes to be eligible for the final examination.
2. This course employs the standardized grading system:

80 - 100	A
75 - 79	B+
70 - 74	B
65 - 69	C+
60 - 64	C
55 - 59	D+
50 - 54	D
0 - 49	F

3. The following grades may also be given:

- 'I' Incomplete
- 'W' Withdrawn
- 'IP' Course work in progress

XI. Class Schedule

The details of this document may be changed during the course of the semester. Any changes will be announced in class or/and posted on the course website.

Week	Topic	Assigned	Due
1	The Goals and Functions of Financial Management 1.1 The Field of Finance 1.2 Evolution of the Field of Finance	August 5, 2014	August 14, 2014
	1.3 Functions of Financial Management 1.4 Corporate Governance 1.5 Goals of Financial Management	August 7, 2014	August 14, 2014
2	Review of Accounting 2.1 Income Statement 2.2 Balance Sheet 2.3 Statement of Cash Flows	August 14, 2014	August 21, 2014
	2.4 Depreciation and Funds Flow 2.5 Free Cash Flow 2.6 Income Tax Considerations and Ethics	August 19, 2014	August 21, 2014
3	Financial Forecasting 3.1 Constructing Pro Forma Statements 3.2 Pro Forma Income Statement	August 21, 2014	August 28, 2014
	3.3 Cash Budget 3.4 Pro Forma Balance Sheet	August 26, 2014	August 28, 2014
4	Financial Analysis 4.1 Ratio Analysis	August 28, 2014	September 4, 2014
	4.2 Trend Analysis 4.3 Impact of Inflation on Financial Analysis	September 2, 2014	September 4, 2014
5	Operating and Financial Leverage 5.1 Operating Leverage 5.2 Break-Even Analysis 5.3 The Risk Factor	September 4, 2014	September 11, 2014
	5.4 Cash Break-Even Analysis 5.5 Financial Leverage	September 9, 2014	September 11, 2014
6	Working Capital Management and Financing Decision 6.1 The Nature of Asset Growth	September 11, 2014	September 18, 2014
	6.2 Patterns of Financing 6.3 The Financing Decision	September 16, 2014	September 18, 2014

Week	Topic	Assignments	Due
7	Current Asset Management 7.1 Cash Management 7.2 Collections and Disbursements	September 18, 2014	September 25, 2014
	7.3 Marketable Securities 7.4 Account Receivable Management 7.5 Inventory Management	September 23, 2014	September 25, 2014
8	Short – term Financing 8.1 Trade Credit 8.2 Bank Credit	October 7, 2014	October 14, 2014
	8.3 Financing through Commercial Paper 8.4 Use of Collateral in Short-term Financing	October 9, 2014	October 14, 2014
9	The Time Value of Money 9.1 Future Value - Single Amount 9.2 Present Value – Single Amount 9.3 Future Value – Annuity 9.4 Present Value – Annuity	October 14, 2014	October 21, 2014
	9.5 The Relationship between the Present Value and Future Value	October 16, 2014	October 21, 2014
10	Cost of Capital 10.1 The Overall concept 10.2 Cost of Debt	October 21, 2014	October 30, 2014
	10.3 Cost of Preferred Stock 10.4 Cost of Common Equity 10.5 Optimal Capital Structure – Weighting Costs	October 28, 2014	October 30, 2014
11	The Capital Budgeting Decision 11.1 Accounting Flows versus Cash Flows 11.2 Payback Method	October 30, 2014	November 6, 2014
	11.3 Internal Rate of Return 11.4 Net Present Value	November 4, 2014	November 6, 2014
12	Long – Term Financing 12.1 Capital Markets	November 6, 2014	November 13, 2014
	12.2 Long – Term Debt 12.3 Common and Preferred Stock Financing	November 6, 2014	November 13, 2014
13	Dividend Policy and Retained Earnings 13.1 The Marginal Principle of Retained Earnings 13.2 Dividend Stability 13.3 Other Factors Influencing Dividend Policy	November 13, 2014	November 20, 2014
	13.4 Dividend Payment Procedures 13.5 Stock Dividend 13.6 Stock Splits	November 18, 2014	November 20, 2014

Week	Topic	Assignments	Due
14	International Financial Management 14.1 The Multinational Corporation: Nature and Environment	-	-
	14.2 Foreign Exchange Rates 14.3 Foreign Investment Decisions	-	-
15	Group report and give presentation	-	November 20, 2014