



Shanghai University of Finance & Economics

2021 Summer Program

FIN 101 Introduction to Finance

Course Outline

Term: July 12 – August 6, 2021

Class Hours: 16:00-17:50 (Monday through Friday)

Course Code: FIN 101

Instructor: Michael J. Petersen, Ph.D.

Home Institution: North Dakota State University Fargo, North Dakota

Office Hours: By appointment

Email: Michael.j.petersen@ndsu.edu

Credit: 4

Class Hours: This course will have 52 class hours, including 32 lecture hours, professor 8 office hours, 8-hour TA discussion sessions, 4-hour review sessions.

Course Description:

This course covers the principles and practices used in the financing of business organizations. Topics include financial planning, funds acquisition, financial analysis, capital budgeting, cost of capital, and ethical issues related to financial management. The course emphasizes key financial management concepts with emphasis on ratio analysis, cash flow estimation, stocks and bonds valuation, capital budgeting, and return risks. A strong understanding of algebra is very important.

Course Goals:

A student who satisfactorily completes this course should be able to understand and address the following key questions:

1. How much should you save and invest per annum in order to accumulate sufficient wealth for a happy retirement?
2. How does a finance professional read and interpret GAAP financial statements?
3. How should a chief financial officer (CFO) select capital investment projects to maximize stockholder wealth?
4. What is the optimal debt-equity mix in funding capital investment projects?



5. Should a firm pay dividends or reinvest its earnings in profitable capital projects? That is, is a bird-in-hand worth two in the bush?

Required Textbook:

Ross, Stephen; Randolph Westerfield, and Bradford Jordan. 10th Edition. Essentials of Corporate Finance. McGraw-Hill Education ISBN: 978-1-26-001395-5

Grading Policy:

In this course, grading will be based on the following:

Mid-term and Final exam (150 pts each)	300 pts
Quizzes (4 at 25 pts each)	100 pts
Homework Submissions (Highest 10 @ 10 pts each)	100 pts
In-Class Assignments (Highest 10 @ 5 pts each)	50 pts
Attendance	50 pts
Total Points	600 pts

Quizzes: Four quizzes will be given, worth 25 points each.

Homework: Twelve homework assignments will be given, with the highest 10 counting toward the grade.

In-Class Assignments: Twelve in-class assignments will be given, with the highest 10 counting toward the grade.

Attendance: Initially, 50 points will be awarded for attendance. This total will decrease by 5 points for every class missed.

Grade Distribution:

Percentage	Letter Grade	Grade Points
100-90	A	4.0
80-89	B	3.0
70-79	C	2.0
60-69	D	1.0
59 or below	F	0.0

Class Rules:

Students are expected to:

- Attend all classes and be responsible for all material covered in class and otherwise assigned. Any unexcused absence may impact a student's grade. Complete the day's required reading and assignments before class
- Review the previous day's notes before class; make notes about questions you have about the previous class or the day's reading
- Participate in class discussions and complete required written work on time.
- Refrain from texting, phoning or engaging in computer activities unrelated to class during class (不要用手机). Students who do not do this will be asked to leave the class
- While class participation is welcome, even required, you are expected to refrain from private conversations during the class period.



Attendance Policy:

Students are expected to attend class. Attendance will be taken and count towards the grade.

Course Schedule:

The planned schedule may be modified to suit the interests or abilities of the students or to take advantage of special opportunities or events that may arise during the term.

Class Date	Content	Chapter	Due
Mon Jul 12	Introduction to Financial Management	1	
Tue Jul 13	Financial Statements, Taxes, and Cash Flows	2	Ch 1 HW
Wed Jul 14	Financial Statements, Taxes, and Cash Flows Working with Financial Statements	2 3	
Thu Jul 15	Quiz #1 (Ch 1 and 2) Working with Financial Statements	3	Ch 2 HW
Fri Jul 16	Time Value of Money	4	Ch 3 HW
Mon Jul 19	Discounted Cash Flow Valuation	5	Ch 4 HW
Tue Jul 20	Quiz #2 (Ch 3 and 4) Discounted Cash Flow Valuation Interest Rates and Bond Valuation	5 6	
Wed Jul 21	Interest Rates and Bond Valuation	6	Ch 5 HW
Thu Jul 22	Review		Ch 6 HW
Fri Jul 23	Mid-term Exam (Ch 1 – 6)		
Mon Jul 26	Equity Markets and Stock Valuation	7	
Tue Jul 27	Equity Markets and Stock Valuation Net Present Value	7 8	
Wed Jul 28	Net Present Value Making Capital Investment Decisions	8 9	Ch 7 HW
Thu Jul 29	Quiz #3 (Ch 7 and 8) Making Capital Investment Decisions	9	Ch 8 HW
Fri Jul 30	Cost of Capital	12	Ch 9 HW
Mon Aug 2	Cost of Capital Leverage and Capital Structure	12 13	
Tue Aug 3	Quiz #4 (Ch 9 and 12) Leverage and Capital Structure Dividends and Dividend Policy	13 14	Ch 12 HW
Wed Aug 4	Dividends and Dividend Policy	14	Ch 13 HW
Thu Aug 5	Review		Ch 14 HW
Fri Aug 6	Final Exam (Ch 7 – 9; 12 - 14)		