



## **Hankuk University of Foreign Studies**

### **2022 Summer Session**

### **FIN 201 Introduction to Finance II**

### **Course Outline**

**Course Code: FIN 201**

**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](mailto: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 is a continuation of Finance I, which was an introduction to corporate finance. This course will cover the theory of finance as well as its role in capital budgeting and long-term investment decisions in national and international settings.

#### **Course Goals:**

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

1. How does data analytics assist in the process of making capital budgeting decisions?
2. How does a finance professional determine the optimal mix of debt and equity for the long-term capital of a company?
3. 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?
4. What are options and warrants and what role do they play in corporate finance?
5. What are some of the complexities multi-national companies need to consider when dealing with international finance?



**Required Textbook:**

Ross, Stephen; Randolph Westerfield, Jeffrey Jaffe, and Bradford Jordan. 12th Edition. Corporate Finance. McGraw-Hill Education ISBN: 978-1-25-991894-0

**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 11 @ 10 pts each) | 110 pts       |
| In-Class Assignments (Highest 8 @ 5 pts each)   | 40 pts        |
| Attendance                                      | <u>50 pts</u> |
| Total Points                                    | 600 pts       |

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

Homework: Thirteen homework assignments will be given, with the highest 11 counting toward the grade.

In-Class Assignments: Ten in-class assignments will be given, with the highest 8 counting toward the grade.

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

**Grading System (1 ~ 100)**

The final score will be scaled and the scaled score will be used to assign a Course grade.

|               |             |
|---------------|-------------|
| A+ : 95 - 100 | A : 94 - 90 |
| B+ : 89 - 85  | B : 84 - 80 |
| C+ : 79 - 75  | C : 74 - 70 |
| D+ : 69 - 65  | D : 64 - 60 |
| F : Fail      |             |

**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       |
|------------|---|----------|-----------|
| Week 1-01  | Review of Finance I   | 2<br>3   |           |
| Week 1-02  | Making Capital Investment Decisions   | 6        | Ch 2-3 HW |
| Week 1-03  | Making Capital Investment Decisions<br>Risk Analysis, Real Options, and Capital Budgeting | 6<br>7   |           |
| Week 1-04  | Risk Analysis, Real Options, and Capital Budgeting  | 7        | Ch 6 HW   |
| Week 1-05  | Quiz #1 (Ch 6 and 7)<br>Long-term Financing   | 15       | Ch 7 HW   |
|            |   |          |           |
| Week 2-01  | Capital Structure: Basic Concepts   | 16       | Ch 15 HW  |
| Week 2-02  | Quiz #2 (Ch 15 and 16)<br>Capital Structure: Limits to the Use of Debt                    | 17       | Ch 16 HW  |
| Week 2-03  | Valuation and Capital Budgeting for the Leveraged Firm                                    | 18       | Ch 17 HW  |
| Week 2-04  | Review  |          | Ch 18 HW  |
| Week 2-05  | <b>Mid-term Exam (Ch 6-7, 15-18)</b>  |          |           |
|            |   |          |           |
| Week 3-01  | Dividends and Other Payouts   | 19       |           |
| Week 3-02  | Dividends and Other Payouts<br>Raising Capital  | 19<br>20 |           |
| Week 3-03  | Raising Capital   | 20       | Ch 19 HW  |



|           |   |          |          |
|-----------|---|----------|----------|
| Week 3-04 | Quiz #3 (Ch 19 and 20)<br>Options and Corporate Finance                                 | 22       | Ch 20 HW |
| Week 3-05 | Options and Corporate Finance: Extensions and Applications                              | 23       | Ch 22 HW |
|           |   |          |          |
| Week 4-01 | Options and Corporate Finance: Extensions and Applications<br>Warrants and Convertibles | 23<br>24 |          |
| Week 4-02 | Quiz #4 (Ch 22 and 23)<br>Warrants and Convertibles                                     | 24       | Ch 23 HW |
| Week 4-03 | International Corporate Finance   | 31       | Ch 24 HW |
| Week 4-04 | Review  |          | Ch 31 HW |
| Week 4-05 | <b>Final Exam (Ch 19-20, 22-24, 31)</b>   |          |          |

