



Hankuk University of Foreign Studies

2024 Summer Session

FIN 330 Business Finance

Course Outline

Course Code: FIN 330

Instructor: Dr. Michael Petersen

Home Institution: North Dakota State University

Office Hours: By appointment

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Credit: 4

Class Hours:

This course will have 52 class hours, including 32 lecture hours, professor 8 office hours, 8-hour T A discussion sessions, 4-hour review sessions.

Course Objectives

By the end of this course:

1. You will understand the role of finance within a firm, within society, and within an economic system.
2. You will learn financial principles and terminology and gain the basic financial/mathematical tools required by managers for making financial decisions.
3. You will learn how business professionals deal with some of the legal, ethical and social responsibilities of the firm in a financial context
4. You will appreciate the role of financial leadership in a business organization.
5. You will appreciate how an understanding of finance is important to your own professional development and career success, as well as how it can impact your own, personal decisions.

I hope that by the end of this course you will have a good grasp of basic financial principles. This will enable you to better understand current events in finance and the business world and will provide a solid framework for any subsequent courses you may take in finance.

Course Description



This course offers a practical introduction to modern-day core principles, arming you with a problem-solving methodology, real-life financial management practices, and an overarching valuation framework that you can apply in your future careers.

The course will emphasize the core concepts in finance, which are clear and intuitive at heart. Without these core principles many practitioners make poor decisions. This course will present two simple, powerful ideas: (1) valuation drives decision making—the firm should take projects for which the value of the benefits exceeds the value of the costs, and (2) in a competitive market, market prices (rather than individual preferences) determine values. This is called the Valuation Principle, and from it all of the key ideas in business finance are established.

The course strives to use a natural interest in finance to build upon. It will provide examples involving familiar companies such as Starbucks and Apple, making consistent use of real-world data, and demonstrating personal finance applications of core concepts. By learning to apply the Valuation Principle, you will develop the skills to make the types of comparisons—among loan options, investments, projects, and so on—that will help you become knowledgeable, confident financial consumers and managers.

REQUIRED TEXT AND OTHER MATERIAL:

1. *Fundamentals of Corporate Finance*, by Berk, Demarzo, and Harford (5th edition). Pearson, ISBN: 9780135811597
2. Pearson MyLab Finance homework manager packaged with the new textbook and various technologies available through the publisher’s website.

Course Grades:

| | |
|----------------------------------|----------------|
| Homework (8 @ 25 pts each) | 200 pts |
| Excel Projects (4 @ 25 pts each) | 100 pts |
| Exams (2 @ 100 pts each) | <u>200 pts</u> |
| Total | 500 pts |

Grading System (1 ~ 100)

| | |
|---------------|-------------|
| A+ : 96 - 100 | A : 91 - 95 |
| B+ : 86 - 90 | B : 81 - 85 |
| C+ : 76 - 80 | C : 71 - 75 |
| D+ : 66 - 70 | D : 60 - 65 |
| F : 0 - 59 | |
| Pa : Pass | Fa : Fail |

Course Components

1. Exams:

The exams will be comprised of multiple choice questions and work out problems. The exams will cover material presented in the book and lecture.



2. Homework:

Homework will be completed on the Pearson MyLab Finance site and submitted electronically. It will consist of multiple choice and work-out problems.

3. Projects:

You will have 4 projects to complete during the course. You can use a spreadsheet program, such as Excel, or you can complete it on paper and upload the completed project. These will use skills from several of the chapters and will be cumulative in building on material from previous chapters.

Course Schedule:

| Day | Chapter and Topic | Assignment |
|--------------|---|-----------------------|
| Week 1 Day 1 | Ch 1 Corporate Finance and the Financial Manager | |
| Week 1 Day 2 | Ch 2 Introduction to Financial Statement Analysis | HW #1 |
| Week 1 Day 3 | Ch 3 Time Value of Money: An Introduction | |
| Week 1 Day 4 | Ch 4 Time Value of Money: Valuing Cash Flow Streams | HW #2 |
| Saturday | | Project #1 |
| Week 2 Day 1 | Ch 5 Interest Rates | |
| Week 2 Day 2 | Ch 6 Bonds | HW #3 |
| Week 2 Day 3 | Ch 7 Stock Valuation | |
| Week 2 Day 4 | Ch 8 Investment Decision Rules | HW #4 |
| Saturday | | Project #2 Exam #1 |
| Week 3 Day 1 | Ch 9 Fundamentals of Capital Budgeting | |
| Week 3 Day 2 | Ch 10 Stock Valuation: A Second Look | HW #5 |
| Week 3 Day 3 | Ch 11 Risk and Return in Capital Markets | |
| Week 3 Day 4 | Ch 12 Systematic Risk and the Equity Risk Premium | HW #6 |
| Saturday | | Project #3 |
| Week 4 Day 1 | Ch 13 The Cost of Capital | |
| Week 4 Day 2 | Ch 16 Capital Structure | HW #7 |
| Week 4 Day 3 | Ch 18 Financial Modeling and Pro Forma Analysis | |
| Week 4 Day 4 | Ch 19 Working Capital Management | HW #8 |
| Saturday | | Project #4 Exam #2 |

All assignments are due at Midnight on the date assigned. No late work will be accepted.