

# DONGGUAN UNIVERSITY OF TECHNOLOGY

## School of Economics and Management

### Course Syllabus

**2020 Spring**

#### Course Information

Course Code	0810022
Course Title	Finance
Instructor	Huang Chunyang
Class	2018 International Economics and Trade (International Business Industry-University International Program)
Course Category	<input type="checkbox"/> Compulsory <input checked="" type="checkbox"/> Elective
Credit(s)	2
Total Hours	32
Hours Per Week	2 hours, 16weeks
Practical Hours	0
Lab Practice Hours	0
Classroom	R3203, GuanCheng Campus;
Time	Tuesday, 8:30-10:10
Office Hour	Tuesday 14:30-16:00 at 3207 Guancheng Campus; by appointment
Required Textbook	
Supplementary Materials	1. Zvi Bodie, Robert C. Merton, and David Cleeton, Financial Economics, 2nd edition, Prentice Hall, 2009, ISBN-10: 0131856154 ISBN-13: 9780131856158

	2. Other materials distributed in the classes
Prerequisites	1. Economics (macro- and micro-) 2. Basic probability and statistics
Course website	

## Course Description

The subject of Finance is the study on the allocation of scarce resources over time under uncertainty. There are four building blocks in traditional finance: asset allocation over time, asset valuation, risk management and corporate finance. In this course, we will study the basic theories in these four building blocks. Key contents include (1) time value of money, (2) discounted cash flows, (3) project evaluation, (4) bond valuation, (5) stock valuation, (6) risk management and diversification, (7) portfolio selection, (8) CAPM, (9) forward and future, (10) option pricing, (11) real option, and (12) capital structure.

## Course Learning Objectives (LOs)

After this course, you should be able to:

LO1: Understand the key concepts and principles in finance, such as time value of money, risk and return, the law of one price, arbitrage, discount cash flow (DCF) valuation model, hedging, insurance, diversification, the capital asset pricing model (CAPM), capital structure, financial signaling, etc.

LO2: Explain the real-world financial events with knowledge from this course.

LO3: Apply the learned knowledge to your daily financial decisions.

## Assessment and Grading

Your performance in the course will be evaluated based on three parts: attendance (20%), group presentation (30%), and final paper (50%). The detailed grading is as

following:

	Standard	Notes
Attendance, 20%	If you are late or leave early, your grade will be taken one point each time. If you are absent for one class, the taken point will be 2 for each absentee. Give questions is a good way to get points in attendance.	If you are taken more than 10 points away, I will reserve your right to participate the final exam.
Group presentation 20%	You are required to work in groups (with not more than 4 members in a team) to analyze a listed company based on the knowledge from the course, and make your group presentation.	The scores from the presentation will be based on how well the course materials have been incorporate into the presentation.
Final paper, 60%	You are required to analyze a listed company, and hand in a valuation reports on the company. The paper should be prepared individually.	Your final papers should be handed in within one week after the final lecture of the course.

## Policies:

### ➤ Attendance Policy

Students missing three classes without permission cannot get any credit from this course.

### ➤ Participation Policy

Participation in class discussion is strongly recommended, and will be awarded with extra point in final grading.

### ➤ Policy on Assignments and Quizzes

All assignments and exam should be completed by yourself. Late assignments

will be accepted without penalty only in cases of legitimate absences and only if the student has contacted the lecturer in advance. If you miss a class, you must get previous class material from one of your student contacts. See the rubrics of assessment event for the detailed of evaluation.

Before/After Class - Students should expect to spend an adequate amount of time on reviewing the textbook, course handouts and finalizing the group homework before the due day. To keep up with the flow of the course, students are strongly recommended to complete the relevant reading materials and to have the coming individual/group presentations/activities conscientiously prepared before the class.

➤ **Plagiarism**

If it is caught that you take another person's work, ideas, or words, and using them as if they were your own, then the corresponding assignment will be scored zero. You can use others' work in a proper way of referencing.

➤ **Classroom Policies**

- English - You are highly encouraged to speak English in the class and actively exchange your ideas, opinions and critical thinking with others. Make sure to speak English even during small-group or paired activities.
- Late coming student should provide a reasonable excuse based on asymmetric information theory and share it in class. If there is no excuse, treat as absent.
- If there is a question, stop the instructor any time, and ask for an answer. Your question is others' question with a very high probability.
- Please be considerate of your fellow students during class presentations. Talking during the presentation will result in a 1% deduction from your final grade.

## Session Plan:

Week/Date	Topic/Focus and Difficulty/Ethical and Political	Activities	LO
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	<p>Learnings (choose at least 3 weeks to perform the practice or implication of ethical and political insights from this course)</p>		
1/ Mar.. 3	<p>Topic: What is finance?</p> <p>Focus: asset allocation over time</p> <p>Difficulties: uncertainty</p>	Online/off-line Lecture and discussion (will be informed in advance)	1, 2
2/ Mar. 10	<p>Topic: The operation of financial markets and institutions</p> <p>Focus: asymmetric information</p> <p>Difficulties: moral hazard and adverse selection</p> <p>Ethical and Political Learning: discussion of asymmetric information in financial market should help students in understanding the meaning of “fairness” in the society</p>	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
3/ Mar. 17	<p>Topic: Time value of money</p> <p>Focus: present value</p> <p>Difficulties: the terminal and present value of annuity</p>	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
4/ Mar. 24	<p>Topic: Household saving and investment decision</p> <p>Focus: human capital</p> <p>Difficulties: permanent income</p>	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3

	Ethical and Political Learning: discussion of human capital should help students in understanding the alignment between the nation's fortune and an individual's fate		
5/ Mar. 31	National Day Holiday	Online/off-line Lecture and discussion (will be informed in advance)	
6/ Apr. 7	Topic: Principles of market valuation  Focus: the law of one price  Difficulties: arbitrage	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
7/ Apr. 14	Topic: Valuation of fixed-income securities  Focus: fixed income security  Difficulties: yield curve	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
8/ Apr. 21	Topic: Valuation of stock  Focus: DDM model  Difficulties: earning forecast  Ethical and Political Learning: discussion of the intrinsic value of a stock should encourage students to invest in the long term	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
9/ Apr. 28	Topic: Principle of risk management  Focus: risk evaluation  Difficulties: defining risk	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3

10/ May 5	<p>Topic: Hedging, insuring and diversification</p> <p>Focus: methods of risk management</p> <p>Difficulties: hedging</p>	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
11/ May 12	<p>Topic: Portfolio theory</p> <p>Focus: the deduction of modern portfolio theory</p> <p>Difficulties: portfolio optimization</p>	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
12/ May 19	<p>Topic: Capital Asset Pricing Model (CAPM)</p> <p>Focus: the deduction of CAPM</p> <p>Difficulties: the meaning of CAPM</p>	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
13/ May 26	<p>Topic: Forward and futures</p> <p>Focus: the operation of forward and future markets</p> <p>Difficulties: the application of forward and future contracts</p>	Online/off-line Lecture and discussion (will be informed in advance)	
14/ Jun. 2	<p>Topic: Option</p> <p>Focus: option market</p> <p>Difficulties: valuation of option</p>	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
15/ Jun. 9	<p>Topic: Corporate finance: financial structure of the firm</p> <p>Focus: financial structure of the firm</p> <p>Difficulties: financial signaling</p>	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3

16/ Jun. 16	Course review	Online/off-line Lecture and discussion (will be informed in advance)	1, 2, 3
Total	32hours		
<p>Date: 2020.2.12</p> <p>Reviewed by Chih-Yuan Hung</p> <p>Signature <i>Chih-Yuan Hung</i></p> <p>Director of</p> <p>Department of International Business and Management</p>			