

Corporate Financial Management (II) Abbreviated Course Syllabus

<u>Course Number:</u>	AB306B
<u>Course Name:</u>	Corporate Financial Management (II)
<u>Instructors:</u>	Liu Changqing, Chen Lijuan
<u>Students:</u>	Finance Management, 2021 Class
<u>Required Text:</u>	1. Corporate Finance Management. Wu Linfang. Tsinghua University Press, 2023 2. Intermediate Financial Management. Wu Linfang. Capital University of Economics and Business Press, 2014
<u>Course Description:</u>	This course is the basic course of financial management major. It mainly expounds the basic concepts, basic theories, basic methods and basic technologies of enterprise financial management, and describes its principles and methods from the links of financial prediction, financial decision-making, financial budget, financial control and financial analysis. This course takes "Management", "Basic Accounting", "Financial Accounting", "Enterprise Financial Management (I)" and other courses as the forerunner, and is also the basis for the subsequent study of "Advanced Financial Management", "Financial Analysis" and other professional courses. Through the study of this course, students can understand the basic concepts, basic theories and values of financial management, master the basic techniques, methods and basic techniques of enterprise financial management, and cultivate students' ability to use financial knowledge to analyze and solve the problems of enterprise financial management, laying a foundation for the follow-up professional courses.

Topic Outline:	Hours/Minutes
I. Equity Capital Financing Decision	4
A. Capital system:	
① The meaning of capital	
② The type of capital	
③ The meaning of capital	
B. Absorb direct investment:	
① The type of absorbing direct investment	
② Procedures for absorbing direct investment	
③ Advantages and disadvantages of absorbing direct investment	
C. Common share financing:	
① The concept of stocks	

② The type of stocks	
③ Issuance and listing of stocks	
D. Preferred stock financing:	
① Features of preferred share financing	
② The type of preferred share financing	
③ Advantages and disadvantages of preferred share financing	
E. Warrant financing:	
① The concept of warrant financing	
② Measurement of the value of warrants	
II. Long-term Debt Financing Decision	6
A. Long-term loans for financing:	
① Features of Long-term loans for financing	
② The type of Long-term loans for financing	
③ Procedures for Long-term loans for financing	
B. Issuing bonds for fundraising:	
① The content and characteristics of the bond	
② The type of the bond	
③ Issuance of bond	
C. Convertible bond financing:	
① The meaning of Convertible bond financing	
② The value of Convertible bond financing	
D. Financial lease financing:	
① The type of Financial lease financing	
② Procedures for Financial lease financing	
III. Current liability financing decisions	6
A. Natural financing:	
① Commercial credit financing	
② Features of Commercial credit financing	
B. Commercial bill financing:	
① Meaning of Commercial bill financing	
② Discounting commercial bills	
C. Bank short-term loan financing:	
① The type of Bank short-term loan financing	
② Credit conditions for short-term loans	
D. Short-term financing methods:	
① Short-term financing bonds	
② Accounts receivable financing	
③ Inventory secured financing	
IV. Capital Structure Theory	4
A. Early Capital Structure Theory	
① Net income theory	
② Net operating income theory	
③ Traditional theory	
B. Modern Capital Structure Theory	

	① MM theory	
	③ Trade-off theory	
	④ Agency theory	
V.	Internal long-term investment decisions	10
A.	Overview of internal long-term investment decisions:	
	① The concept and characteristics of internal long-term investment	
	② Internal procedures for long-term investment decisions	
	③ Classification of internal long-term investment decisions	
B.	Estimation of cash flow:	
	① The concept of cash flow	
	② The content of cash flow	
	③ The principle of estimate cash flow	
	④ Estimation of cash flow of investment projects	
	⑤ Examples of cash flow estimation	
C.	Project investment decision method:	
	① Net present value method(NPV)	
	② The internal rate of return method(IRR)	
	③ Profitability index method(PI)	
	④ Average accounting return method(AAR)	
	⑤ Payback period method(PP)	
	⑥ Discounted payback period method(DPP)	
	⑦ Comparison of investment decision indicators	
D.	Application of investment decision indicators:	
	① Mutually exclusive program decisions with unequal project lifetimes	
	② Fixed assets renewal decision	
	③ Capital limit investment decision	
	④ Investment decisions under inflation	
E.	Investment decisions under uncertainty:	
	① Certain equivalent method	
	② Risk-adjusted discount rate method	
	③ Decision tree method	
	④ Sensitivity analysis method	
	⑤ Scenario analysis method	
	⑥ Break-even analysis	
	⑦ Real options in project investment	
F.	Investment in intangible assets:	
	① The characteristics of intangible asset investment	
	② The category of the intangible assets investment	
	③ The decision-making method of intangible assets investment	
VI.	Long-term external investment decisions	8
A.	The characteristics and principles of external investment:	
	① The purpose of external investment	
	② The characteristics of external investment	
	③ The principle of external investment	

- B. The external direct investment:
 - ① Factors to be considered in external direct investment
 - ② Procedures for external direct investment
 - ③ The way of external direct investment
 - ④ The method of capital contribution and value determination of external direct investment
 - ⑤ The decision of external direct investment
 - ⑥ Recovery of external direct investment
- C. The external securities investment:
 - ① Bond investment decisions
 - ② Stock investment decisions
 - ③ Fund investment decisions
- D. Security portfolio:
 - ① Overview of securities portfolio
 - ② The formation and development of modern securities portfolio
 - ③ The risk and return of security portfolio
 - ④ The strategy and method of security portfolio
- E. The capital asset pricing model:
 - ① Assumptions of the capital Asset Pricing model
 - ② The main content of capital asset pricing model
- F. Arbitrage pricing theory:
 - ① Factor model
 - ② Arbitrage pricing model
- VII. Current assets investment management 6
 - A. Cash and short-term securities management:
 - ① Overview of cash management
 - ② The cost of cash management
 - ③ The determination of optimal cash holdings
 - ④ Daily cash management
 - B. Accounts receivable management:
 - ① The function and cost of accounts receivable
 - ② The credit standards
 - ③ The daily management of accounts receivable
 - C. Inventory management:
 - ① The function and cost of inventory
 - ② The plan of inventory assets
 - ③ The control and management of inventory
- VIII. Dividend policy 4
 - A. Dividend policy and firm value:
 - ① Dividends and dividend policy
 - ② Theory of dividends
 - B. Dividend policy choice:
 - ① The influencing factors of dividend policy

- ② The type of dividend policy
- ③ The dividend payment
- C. Stock policy, stock splits and stock buybacks:
 - ① Stock dividends
 - ② Stock split
 - ③ Stock repurchase
- Total Sessions (Coverage Hours) 48

Summary of UG CPC Topics Covered in this Course:	Hours/Minutes
a. Marketing	0
b. Finance	28
c. Accounting	4
d. Management	10
e. Legal environment of Business	2
f. Economics	0
g. Business Ethics	2
h. Global Dimensions of Business	0
i. Business Communications	0
j. Information System	0
k. Quantitative Techniques and Statistics	2
l. Business Policies	0
m. Comprehensive or Integrating Experience	0
Total Estimated CPC Coverage Hours	48