

## Financial Management Abbreviated Course Syllabus

<u>Course Number:</u>	AB003A
<u>Course Name:</u>	Financial Management
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<u>Students:</u>	Accounting AY2021, Auditing AY2021, Business Administration AY2021
<u>Required Text:</u>	1. Financial Management, Zhang Gongfu, Li Fengtuan, Zhang Jing, Tsinghua University Press, Edition 2023, 4 2. Financial Management. Jing Xin, Wang Huacheng, Liu Junyan. China Renmin University Press, 2015
<u>Course Description:</u>	Financial management is a highly practical economic management discipline, which illustrates the basic theories and methods of financial management. This course focuses on the movement of enterprise funds, takes the time value of money and risk premium as the basic concept, takes financing, investment, fund operation and income distribution as the main line, and explains the basic concepts, principles, systems and other theoretical issues of financial management, as well as financial forecast, financial decision, financial budget, financial control, financial analysis and other business methods. This course is a common core course for economic management majors, and also a professional course for finance and economics majors.

Topic Outline:	Hours/Minutes
I. Introduction to Financial Management	4
A. The formation and organization of enterprises:	
① The concept and characteristics of the enterprises	
② The organizational form of the enterprises	
B. The concept of financial management:	
① Financial activities and financial relations	
② The concept of financial management	
C. Objectives of financial management:	
① The meaning and types of financial management objectives	
② Agency conflict and financial management objectives	
D. Links of financial management:	
① Financial forecast	
② Financial decisions	
③ Financial budget	
④ Financial control	
⑤ Financial analysis	

E	The environment of financial management:	
	① Economic environment	
	② Legal environment	
	③ Financial market environment	
F.	Business ethics and financial ethics:	
	① Business ethics	
	② Financial professional ethics	
II.	Financial Analysis	4
A.	Overview of financial analysis:	
	① Financial statement and enterprise financial activities	
	② Significance of financial analysis	
	③ Subject and purpose of financial analyses	
	④ The content of financial analysis	
B.	Methods of financial analysis:	
	① Elements of financial analysis	
	② Trend analysis	
	③ Ratio analysis	
	④ Other methods of financial analysis	
	⑤ Comparative criteria for financial analysis	
	⑥ Limitations of financial analysis	
C.	Financial capacity analysis:	
	① Solvency analysis	
	② Operation analysis	
	③ Profitability analysis	
	④ Development ability analysis	
	⑤ Financial analysis of listed companies	
D.	Comprehensive analysis of the financial situation:	
	① The DuPont financial analysis system	
	② The Wall marking way	
	③ Performance evaluation	
III.	The Values of Financial Management	4
A.	Time value of money:	
	① The concept of time value of money	
	② Calculation of the time value of money	
B.	Risk and reward:	
	① Connotation of risk	
	② Measurement of risk	
	③ The relationship between risk and reward	
C.	Security Valuation:	
	① Principles of security valuation	
	② Bond valuation	
	③ Stock valuation	
IV.	Financial Strategy and Budget	2
A.	Financial strategy:	

	① The meaning and characteristics of financial strategy	
	② Classification of financial strategies	
	③ Analysis method of financial strategy	
	④ The choice of financial strategy	
B.	Financial forecast:	
	① Significance of financial forecast	
	② Basis and steps of financial forecast	
	③ Methods for forecasting funding levels	
C.	Financial Budget:	
	① Meaning of financial budget	
	② The preparation method of financial budget	
	③ Marketing budget	
	④ Production budget	
	⑤ Direct material budget	
	⑥ Direct labor budget	
	⑦ Manufacturing overhead budget	
	⑧ Production cost budget	
	⑨ Capital expenditure budget	
	⑩ Selling and administrative expense budget	
	⑪ Cash budget	
	⑫ Income statement budget	
	⑬ Balance sheet budget	
V.	Investment Decision Principle	4
A.	Overview of corporate investments:	
	① The concept and significance of enterprise investment	
	② Classification of business investment t	
	③ Principles of enterprise investment management	
	④ The management process of enterprise investment	
	⑤ The concept and characteristics of project investment	
	⑥ Account period of project	
B.	Analysis of investment cash flow:	
	① The concept and significance of investment cash flow	
	② Components of investment cash flows	
	③ Influencing factors of investment cash flow	
	④ Example of investment cash flows	
C.	Non-discounted cash flow method:	
	① Static payback time	
	② Average rate of return	
D.	Discounted cash flow method:	
	① Net present value	
	② Present value index	
	③ Implicit rate of return	
	④ Dynamic investment pay-back period	
E.	Comparison of investment decision indicators:	

	① Comparison of discounted and non-discounted indicators in the application of investment decision	
	② Main reasons for the widespread use of discounted cash flow indicators	
	③ Comparison of discounted cash flow indicators	
VI.	Investment Decision Practice	4
A.	Investment decision for mutually exclusive projects:	
	① Mutually exclusive cases where items have the same service life	
	② Mutually exclusive cases where items have different service life	
	③ Fixed asset renewal decision	
B.	Capital limit decision:	
	① Steps of present value index method	
	② Steps of net present value method	
	③ Examples of capital limit investment decisions	
C.	Investment timing decision:	
	① Investment timing decision	
	② Investment period selection decision	
D.	Venture capital decision:	
	① Risk adjusted discount rate	
	② Surely-balanced method	
	③ Decision tree	
	④ sensitivity analysis	
E.	Investment decisions under inflationary conditions:	
	① The impact of inflation on interest rates	
	② The impact of inflation on cash flow	
	③ Investment decisions under inflationary conditions	
VII.	Current Assets Management	4
A.	Cash and short-term financial asset management:	
	① Cash and cash management purposes	
	② The cost of cash management	
	③ Determination of target cash balance	
	④ Daily management of cash	
	⑤ Short-term financial asset management	
B.	Accounts receivable management:	
	① Function and cost of accounts receivable	
	② Credit policy	
	③ Daily management of accounts receivable	
C.	Inventory management:	
	① Function and cost of inventory	
	② Planning of inventory assets	
	③ Stock-in-trade control and management	
VIII.	Financing Modes	6
A.	Overview of funding:	
	① Meaning and motivation of long-term financing	
	② Financing channel and financing modes	

③ Types of fund raising	
B. Equity capital financing:	
① No-stock invested capital	
② Stock financing	
C. Debt capital financing:	
① Bond financing	
② Long-term loan financing	
③ Finance lease financing	
D. Mixed financing:	
① Preferred stock financing	
② Convertible bond financing	
③ Perpetual bond financing	
E. Short-term financing:	
① Overview of short term financing	
② Natural financing	
③ Short-term loans financing	
④ Commercial paper financing	
IX. Capital Structure Decision	6
A. The theory of capital structure:	
① The concept of capital structure	
② Types of capital structure	
③ The relationship between capital structure and firm value	
④ The theory of capital structure	
B. Measurement of capital cost:	
① The concept and meaning of capital cost	
② Calculation of individual capital cost	
③ Calculation of the composite cost of capital	
④ Commercial paper financing	
C. The measurement of leverage benefits and risks:	
① Several financial concepts related to leverage	
② Operating leverage and operational risk	
③ Financial leverage and financial risk	
④ Total Leverage and enterprise risk	
D. Analysis of capital structure decisions:	
① Optimal capital structure and its influencing factors	
② Capital structure decision	
X. Dividend Theory and Policy	4
A. Dividends and their distribution:	
① The procedure of profit distribution	
② Types of dividends	
③ Procedures for the payment of dividends	
B. Dividend theory:	
① Dividend irrelevance	
② Dividend relevance	

- C. Choice of dividend policy:
  - ① The types of dividend policy
  - ② Factors affecting dividend policy
- D. Stock split and stock repurchase:
  - ① Stock split
  - ② Stock repurchase

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X I.	MA and Restructuring	4
A.	Mergers and acquisitions: <ul style="list-style-type: none"> <li>① The concept of mergers and acquisitions</li> <li>② Types of mergers and acquisitions</li> <li>③ The motivation of mergers and acquisitions</li> <li>④ The process of mergers and acquisitions</li> <li>⑤ M&amp;A risk and prevention</li> </ul>	
B.	Restructuring: <ul style="list-style-type: none"> <li>① The concept of restructuring</li> <li>② Classification of restructuring</li> <li>③ Asset restructuring</li> <li>④ Debt restructuring</li> <li>⑤ Equity restructuring</li> </ul>	
C.	Early warning and prevention of enterprise financial crisis: <ul style="list-style-type: none"> <li>① Connotation of financial crisis</li> <li>② Causes of financial crisis</li> <li>③ Signs of financial crisis</li> <li>④ Early warning of financial crises</li> <li>⑤ Prevention of financial crisis</li> </ul>	
D.	Business failures crisis and response: <ul style="list-style-type: none"> <li>① The concept of business failures</li> <li>② Characteristics of financial management of bankrupt enterprises</li> <li>③ Bankruptcy reorganization</li> <li>④ Bankruptcy conciliation</li> <li>⑤ Bankruptcy liquidation</li> <li>⑥ The response of business failures crisis and response</li> </ul>	

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X II.	Financial Management of International Enterprises	2
A.	Overview of financial management of international enterprises: <ul style="list-style-type: none"> <li>① The concept of the financial management of international enterprises</li> <li>② The formation and development of the financial management of international enterprises</li> <li>③ The content of the financial management of international enterprises</li> <li>④ The characteristics of the financial management of international enterprises</li> </ul>	
B.	Foreign exchange risk management: <ul style="list-style-type: none"> <li>① Foreign exchange and exchange rate</li> <li>② Types of foreign exchange risk</li> <li>③ Foreign exchange risk management</li> </ul>	

C.	Financing management of international enterprises:
	① Financing channel of international enterprises
	② Financing modes of international enterprises
D.	Investment management of international enterprises:
	① The concept and characteristics of direct investment in international enterprises
	② Types of direct investment in international enterprises
	③ The motivation of direct investment in international enterprises
	④ The risk of direct investment in international enterprises
	⑤ The procedure of direct investment in international enterprises
E.	Working capital management of international enterprises
	① Cash management in international enterprises
	② Accounts receivable management in international enterprises
	③ Inventory management in international enterprises
F.	Taxation management of international enterprises
	① Types of international taxation
	② Tax jurisdiction
	③ Avoidance of international double taxation
	④ International tax avoidance
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Total Sessions (Coverage Hours)	
48	

Summary of UG CPC Topics Covered in this Course:	Hours/Minutes
a. Marketing	0
b. Finance	0
c. Accounting	42
d. Management	2
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	0
l. Business Policies	0
m. Comprehensive or Integrating Experience	0
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Total Estimated CPC Coverage Hours	48