

SYLLABUS

Date/Revision : Aug 14, 2019/SaP
Faculty : Business & Social Sciences
Study Program(s) : International Business Administration (IBA), Management (MGT/AVM)

SUBJECT: Financial Management 1

1 Basic Information

1.01	Subject Name	Financial Management 1
1.02	Semester	1
1.03	Level	1
1.04	SKS	2
1.05	Mandatory / Curriculum	D-01
1.06	Subject Code	FMG1
1.07	Subject Code	BSS-D-FMG1-1000
1.08	Year	2017 (1)
1.09	Quality Control	Final Test, Quiz, see evaluation
1.10	Limitations	Min 12 and Max 32 students in one class
1.11	Combined with	MGT 1, IBA 1, HTM 1, INR 1
1.12	Prerequisite	None
1.13	Responsible	Afera Wijayanti, M.Ak, Cecep Surawijaya, MM, Dr. Satiri & Dr. Samuel Prasetya
1.14	Revision	Aug 14, 2019/SaP

2 Descriptions of Subject

In conjunction with Financial Management 2, this course covers the following topics; financial market and institutions, financial statement, cash flows and taxes, analysis of financial statements, time value of money, interest rates, bond and their valuation, risk and rates of return, stock and their valuation

3 Objectives

- Overview on basic concepts and principles in financial management

- Overview on financial market and financial institutions
- Overview on financial statements, cash flows and taxes
- Overview on time value of money and the relevant interest rates
- Overview on bonds and stocks, including their underlying valuation
- Overview on risk and returns

4 Competency

After having the course, students are expected to have the ability to:

- Identify the most important in basic financial management.
- Describe the core aspects of basic financial management and will be able to illustrate, contrast, and apply the main concepts and theories to business implication.
- Recognize the basics analysis about financial management.
- Discuss critically the role of financial managers in company

5 Learning Approach/Methodology

- Lectures/Class contact (time-tabled) supplemented with interactive questions and answers;
- Tutorials/Class discussion/Group work: review of materials, revision, case studies and/or reports writing;
- Student Study Effort: homework/assignment, presentation, preparation for test/quizzes/examination.

6 Evaluation

5.1	Absence maximum	25%
5.2	Participation & Discussions	10 Points
5.3	Homework/Classwork & Quizzes	10 Points
5.4	Presentation/Simulation/Homework & Classwork	20 Points
5.5	Final Examination	60 Points
	Total	100 Points

7 Text Book and Reference

1	Main Text Book: Brigham, Eugene, Joel F. Houston, Hsu Jun-Ming, Kong Yoon Kee, and A. N. Bany-Arifin (2014), <i>Essentials of Financial Management</i> , 3 rd Edition, Cengage Learning Asia Pte, Ltd, Singapore. ISBN # 978-981-4441-37-7
2	Supplement Textbooks:

	<ul style="list-style-type: none"> • Handouts
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8	Content / Topics of Lecture
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Week	Content/ Topics of Lecturing	Text Book Chapter	Remarks
1	Introduction session <ul style="list-style-type: none"> • Forms of business organization • Main financial goal • Stockholder-manager conflicts • Business ethics 	Ch. 1	HW: Goals on maximizing shareholders' wealth & CSR
2	Financial markets and institutions <ul style="list-style-type: none"> • The capital allocation process • Financial and stock market • Stock market and returns 	Ch. 2	HW: Purposes on Stocks, Bonds, Mutual Funds & Derivatives (including examples)
3	Financial statements, cash flow, and taxes <ul style="list-style-type: none"> • Financial statement and reports • Income statement, stockholder equity statement, statement of financial position • Statement of cash flow • Income taxes 	Ch. 3	Quiz 1 Financial Statements (B/S, I/S, C/F)
4	Analysis of financial statements <ul style="list-style-type: none"> • Liquidity ratio • Asset and debt management ratio • Profitability ratio • Market value ratio • DuPont equation • Using financial ratio to assess performance 	Ch. 4	HW: calculating ratios
5	Time value of money I: <ul style="list-style-type: none"> • Future values • Present values • Finding interest rate and number of years 	Ch. 5	HW: which one would you choose?
6	Time value of money II: <ul style="list-style-type: none"> • Annuities: ordinary annuities and annuity due • Perpetuities 	Ch. 5	Quiz 2
7	Evaluation from previous discussion and chapters	Ch. 1-5	
8	Semester Break		
9	Interest rates I: <ul style="list-style-type: none"> • The cost of money • The determinant of market interest rates • The term of structure of interest rates 	Ch. 7	HW
10	Interest rates II:	Ch. 7	HW

Week	Content/ Topics of Lecturing	Text Book Chapter	Remarks
	<ul style="list-style-type: none"> • Determinant of yield curve • Using yield curve to estimate future interest rates • Macroeconomic factors that influence interest rate levels 		
11	Bond and their valuation I: <ul style="list-style-type: none"> • Key characteristic of bonds • Bond valuation • Bond yields 	Ch. 9	HW
12	Bond and their valuation II: <ul style="list-style-type: none"> • Changes in bond values over time • Bonds with semi-annual coupons • Assessing a bond's riskiness • Bond markets 	Ch. 9	Quiz 3
13	Risk and rates of return <ul style="list-style-type: none"> • The risk-return trade-off • Stand-alone risk • Risk in a portfolio context: The CAPM • The relationship between risk and rates of return 	Ch. 8	HW
14	Stock and their valuation <ul style="list-style-type: none"> • Type of stock • Discounted dividend model • Stock price and intrinsic value • Enterprise-based approach valuation 	Ch. 10	HW
15	Review chapters for final exams & group projects	Ch7-10	Quiz 4
16	Silent Break		Final Draft
17-18	Final Examination	Ch 7-10	