

FINA 2203 – Fundamentals of Business Finance

School:	School of Business and Management
Subject Area:	Finance
Course Credit:	3
Instructor:	SAENYASIRI Ekkachai
Pre-requisite/co-requisite:	Nil

Notes:

- The syllabi provided here is for reference only and may be subject to changes and adjustments as determined by the course instructors.

1. GENERAL INFORMATION	
Instructor:	Ekkachai Saenyasiri, Associate Professor of Business Education, Dept of Finance
Email:	Esaenyasiri@ust.hk
Office & office hours:	Room LSK 5082, by appointment
Teaching assistant:	TBD
Office & office hours:	TBD
Optional tutorial sessions:	TBD
Class dates and venue:	TBD
Course prerequisite(s):	N/A
Course exclusion(s):	FINA 2303
Course add/drop deadline:	TBD (Any late add/drop will not be considered, please contact your program office)
2. COURSE DESCRIPTION	
For BIBU and non-SB&M students. This course provides an introduction to corporate finance for students who may not have background in accounting and business statistics. Topics include financial statement analysis, time value of money, bond and stock valuation, capital budgeting, risk and return concepts and cost of capital.	
3. COURSE OBJECTIVES	
This course aims to introduce students to key basic financial concepts and theories, and showed students how to apply them in real life. It also provides students important foundations in finance for those who plan to study intermediate and advanced-level courses in finance covering areas such as corporate finance and investments.	
4. COURSE LEARNING OUTCOMES	
On Successful completion of this course, students are expected to be able to	
Course Learning Outcomes (CLOs)	Aligned FINA and QFIN Program Learning Outcomes (PILOs)
CLO1. Analyze firm financial performance through basic financial statement analysis	PILO 1, 3
CLO2. Apply the concept of time value of money to make correct financial decisions	PILO 1, 3
CLO3. Analyze the attractiveness of investment projects using various capital budgeting techniques, and understand the merits and drawbacks of each technique.	PILO 1, 3
CLO4. Explain the fundamental principles underlying asset valuation, and compute asset prices using a variety of approaches	PILO 1, 3
CLO5. Explain the key concepts of risk, return, and diversification	PILO 1, 3
CLO6. Explain the key concepts and implications of cost of capital	PILO 1, 3

5. COURSE TEACHING AND LEARNING ACTIVITIES

Course Teaching and Learning Activities	Expected contact hours	Study Load (% of study)
In-class lecture	50	50%
Homework assignments	20	20%
Self-study and review	30	30%
Total	100	100%
Assessment Methods	Weight (%)	Aligned Course Learning Outcomes (CLO no in section 4)
A. homework assignments	20%	CLO1, 2, 3, 4, 5, 6
B. Midterm Exam	28%	CLO 1, 2, 3, 4
C. Final Exam	52%	CLO 1, 2, 3, 4, 5, 6
Total	100%	

6. STANDARDS FOR ASSESSMENT

Course Grade Descriptors

A+, A, A- B+, B, B-, C+, C C-, D F	Excellent Performance Good Performance Satisfactory Performance Marginal Performance Failure
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7. COURSE CONTENT AND TENTATIVE TEACHING SCHEDULE

Chapter 1: Corporate Finance and the Financial Manager (exclude 1.2)
 Chapter 3: Time Value of Money: An Introduction
 Chapter 4: Time Value of Money: Valuing Cash Flow Streams
 Chapter 5: Interest Rates
 Chapter 8: Investment Decision Rules (exclude MIRR)
 Chapter 2: Financial Statement Analysis
 Chapter 6: Bonds
 Chapter 9: Fundamentals of Capital Budgeting (exclude 9.6 and MACRS)
 Chapter 7: Stocks
 Chapter 10: Stock Valuation: A Second Look
 Chapter 11: Risk and Return in Capital Markets
 Chapter 12: Systematic Risk and the Equity Risk Premium
 Chapter 13: Cost of Capital

8. TEACHING MATERIALS

Required Materials: Fundamentals of Corporate Finance, Global Edition, 5/e with MFL Access Code, by Jonathan Berk, Peter DeMarzo and Jarrad Harford

This book is **required** of all students since it will be used extensively in the course. You should also read the assigned chapters in the textbook thoroughly because the lectures will only focus on the core and more difficult concepts instead of every detail in the textbook.

Each student is **required** to have an individual access code to create an account. MFL is a web-based homework and tutorial system accompanied with the textbook.

The access code can be purchased either bundled with the textbook at a special discount price or separately at the bookstore.

9. MEANS/PROCESSES FOR STUDENT FEEDBACK ON COURSE

Complete online Student Feedback Questionnaires (SFQ) Survey during two weeks before the course end at: Canvas website (<https://canvas.ust.hk>) or SFQ Mobile website (<http://sfq.ust.hk/mobile/>) or HKUST iLearn app at smartphones / tablets

10. ADDITIONAL COURSE INFORMATION

Calculator

Only HKEAA-approved calculators are allowed in the exams (<https://www.hkeaa.edu.hk/DocLibrary/IPE/cal/CALc2022.pdf>).

Although financial calculator can sometime help you solve some questions faster, you will still be able to solve exam questions without a financial calculator.

Course website: <https://canvas.ust.hk>

You should visit the website regularly because a lot of important information will be available on the course website including Announcements, Syllabus, Lecture Notes and Grades.

Textbook solutions

Textbook solutions can only be accessed via MFL. The only way to master the necessary skills in this course is through practice. The difficult part of each question is to know where to begin and which formula to use. This essential skill sets will only be developed only if you solve each problem by yourself from the beginning without taking a glance at the solutions. You should use the solution only to check your answer and identify your mistakes

Attendance and Participation

- You are strongly recommended to regularly attend the lectures for two main reasons. First, lecture notes only contain brief outlines and do not include detailed explanation of the concepts nor step by step solutions to numerical examples. So simply reading the lecture notes may not enable you to fully understand the concepts. Skipping classes will definitely hurt your performance because the assignments and exam questions are heavily based on materials covered in class.
- Second, class participation is important for your learning experience and highly encouraged. It helps you to think actively rather than passively, keeps you involved and motivated rather than removed and disinterested.

Examinations

- There will be two closed-book examinations in this course.
- Questions are designed to test your understanding of core finance concepts and principles as well as your ability to solve numerical problems using the core principles and techniques.
- There will be no alternative arrangement for the midterm exam. Students who miss the exam will receive “zero” mark.
- If you miss the final exam, an arrangement will follow HKUST guidelines.
- According to HKUST’s announcement, all UG classes will be delivered face-to-face on-campus. This policy will apply to exams as well.

Class Conduct

To foster the best learning environment, you should abide by the following codes of conduct:

Punctuality

You are expected to arrive and leave the class venue on time as late arrival and early departure are rude and will be very disruptive to the class. If you need to come in late or leave early for various reasons, please do so quietly and sit in the rows closest to the exit of the classroom.

Consideration

- Do not use electronic devices for entertainment.
- Do not talk with other students or create disturbances in the classroom.

Academic Integrity

Academic integrity and honesty are critical values in upholding HKUST's reputation as a community of scholars and its claim to the "intellectual property" created by staff and students. As a student of HKUST, you must commit to the Academic Honor Code. Cheating will not be tolerated. If you are caught cheating during the exams, at minimum you will receive zero credit and will face further disciplinary action.

How to succeed in FINA 2203

- Read assigned textbook chapter prior to each class
- Attend classes and take notes
- Practice end-of-chapter problems and use MFL for more practice
- Ask when you do not understand and attend the TA sessions
- Spend at least several hours per week to study outside classroom

BBA FINA Program Learning Outcomes

- a. Graduates will be critical and creative thinkers who make effective decisions supported by analytical and quantitative techniques.
- b. Graduates will be effective communicators in oral and written English for general business applications.
- c. Graduates will have broad understanding of the core business functions and integrate these functions to solve business problems.
- d. Graduates will have in-depth grasp of their area of business concentration or major.
- e. Graduates will be effective team members and leaders.
- f. Graduates will be effective in multi-cultural and international settings.
- g. Graduates will be effective users of information technology and sources of information in business applications.
- h. Graduates will understand their professional and ethical responsibility.