

FIN 2704/X

Course Overview

2

LEADING FROM ASIA



Module objectives

- Provides the foundations to understand the **key concepts and tools used in Finance**
- Provides a broad overview of the **financial environment under which firms operate**
- Introduces the **conceptual and analytical skills** necessary to make sound financial decisions

3



Content delivery

FIN2004/2704/2004X/2704X: 1 module, 1 distribution, same materials

Lectures

- Weekly pre-recorded videos (posted 1 week prior to the lecture session in which the topic will be discussed)
- Weekly live virtual lecture conducted on Zoom during your registered lecture section
 - LA1 (Tuesdays 10 am – noon)
 - LA2 (Tuesdays 14:00 – 16:00)

Tutorials

- Weekly face-to-face tutorial conducted by your tutors

Do NOT forget to register for a tutorial group

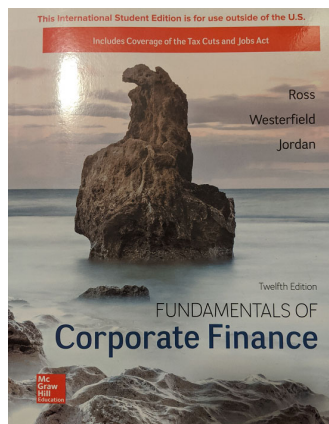
Note: All module registration matters are handled by the BBA Office

4



Course materials

- Textbook: **Fundamentals of Corporate Finance**, 12th edition
By S.A. Ross, R.W. Westerfield, B.D. Jordan, J. Lim and R. Tan
Note: Older version(s) can be used but you're responsible for checking for consistency
- Financial calculator: **Texas Instruments BAII Plus Financial Calculator** is recommended
- Materials posted on **LumiNUS**:
 - Course syllabus
 - Zoom lecture slides
 - Pre-recorded videos & slides
 - Tutorial questions
 - Select articles



5



Assessments

Component	Weight	
Quiz (best 2 of 3)	10%	During your registered tutorials
Tutorial Class Participation	10%	
Midterm: Week 7	30%	During your registered lectures
Lecture Class Participation	5%	
Final exam: during final week	45%	During final week
Total	100%	

6



Quizzes

- Three quizzes held over the course of the semester
 - Best 2 out of 3
 - No make-up quizzes
- The quizzes will take place during your tutorial session

NOTE: you will only receive credit for quizzes completed during your assigned tutorial section
- All tutorial quiz marks from each tutorial section may be normalized at the end of the semester, such that all tutorial sections will have the same average mark

7



Tutorial class participation

- Tutorials will be conducted physically on campus. You must attend the face-to-face session.
- Your tutorial class participation mark will be allocated by your tutor based on:
 - Tutorial attendance
 - Participation in class discussion
 - Tutorial presentations (if presentations are assigned by your tutor)
 - Do the tutorial problems prior to the scheduled tutorial session
- You will only receive credit for participation made in the specific tutorial section that you are registered for.

You must attend your registered tutorial section and only that section

8



Midterm test & final exam

- Midterm will take place in Week 7 during your registered lecture time

NOTE: you will only receive credit for midterm completed during your registered lecture session

- Final exam will take place during the final week as scheduled by the University
 - The materials covered in the final exam are cumulative

9



Midterm test (cont.)

- Digital test using Exemplify and Zoom invigilation
- MCQs
- Same number of questions, same length of time, same difficulty level
 - NOT the same questions
 - No backward navigation, randomized questions, randomized answer options
 - Midterm will not be exactly the same as quizzes & tutorial questions

10



Discussing test, exam, and quiz questions
before, during, and after the test/exam/quiz
with other students constitutes
academic dishonesty (cheating)

Please see the module outline for policy on academic
dishonesty

11



How to use Exemplify

If you are new to Exemplify or have had problems with Exemplify, attend one of Exemplify briefing sessions arranged by CIT

<https://wiki.nus.edu.sg/display/DA/Common+Briefing+Sessions>

NOTE: *I highly recommend that you attend one of the sessions in Round 1 (before our midterm)*

If none of the above options is possible:

- Go through the briefing slides
 - Exemplify Assessment - <https://wiki.nus.edu.sg/x/daBJCw>
 - Performance Assessment - <https://wiki.nus.edu.sg/x/nl4FEQ>
- Or watch the briefing video - https://wiki.nus.edu.sg/x/tgg_EQ

Take a few practice exams and write to citbox25@nus.edu.sg if you run into any technical issues

**You are responsible for familiarizing yourself
with Exemplify before our midterm**

12



Lecture class participation

- Your lecture class participation mark will be allocated by your instructor based on:
 - Lecture attendance
 - Participation in class activities
- You will only receive credit for participation made in the specific lecture section that you are registered for

**You must attend your registered lecture section
and only those sections**

14



How do you ask questions in the lecture session?

Submit your questions ahead of time via PolleEv

- Go to pollev.com/sulaeman
 - Things to remember:
 1. Login using your NUS email address
 2. Use the name on your NUS ID
 3. Post a question on the topic of the week
- OR
4. Vote for the question you would like me to answer during lecture



Deadline: All questions and votes must be submitted **before Monday 8 AM** each week

15



Why submit a question via PollEv?

- It will greatly help me gauge your understanding of the topic of the week
- This is a chance for you to tell me the materials that you are unclear about
 - I will clarify select materials during the weekly live Zoom lecture

16



How to contact your instructor

Email works best

- deserina@nus.edu.sg
- In the subject of your email include “[FIN2004/2704 your section]”
 - E.g., [FIN2004/2704 LA1] How do I find Week 1 lecture videos

I will try my best to respond to your email within 48 hours.

17



Tips on how to do well in this module

1. Watch the weekly pre-recorded videos before we cover the topic in the Zoom lectures and tutorials
 - Submit a question via PollEv before Monday 8 AM
2. Pause and re-wind the pre-recorded videos if needed
3. Have a copy of the slides while viewing the videos and use it to take notes
4. Attend lectures and tutorials
 - Attendance is positively correlated with grades
5. Talk to your tutor
6. Study with your peers
 - Different perspectives
 - By helping your peers, you will gain a better understanding of the materials. Trust me!

18



FIN 2704/X

Week 1 Review

19

LEADING FROM ASIA



Financial Management

Financial markets vs. financial intermediaries

- Do investors invest directly in financial markets or through financial intermediaries?

20



Business Organization

1. Sole proprietorship

2. Partnership

- Limited Partnership
- Limited Liability Partnership (LLP)

3. Corporation



Increasing
in
complexity
and costs

21



Corporation

- The goal of the firm is to **maximize its value**
- Firm value
 - Market price
 - Intrinsic value
 - Not directly observable
 - Market participants may disagree

22



Corporation (cont.)

- Separation of ownership and management
 - Conflict of interests
- Maximizing firm value, done through:
 - Capital budgeting
 - Capital structure
 - Debt vs. equity
 - Creditors will have priority in getting paid, incl. during bankruptcy
 - Working capital management

23



Dealer vs. Auction Markets

- **Auction market:** the highest bidding price is matched with the lowest asking price

Example:

- BID: Investor 1 wants to buy Company XYZ stocks at \$9.80,
Investor 2 wants to buy Company XYZ stocks at \$9.70,
 - ASK: Investor 3 wants to sell Company XYZ stocks at \$9.75,
Investor 4 wants to sell Company XYZ stocks at \$9.85.
- **Dealer market:** network of dealers
 - Objective of traders in auction and dealer markets is the same (to pay the least and receive the most)

24

