



**Course** FIN 6301, Section 501, Financial Management  
**Professor** Yexiao Xu  
**Term** Fall 2016  
**Meetings** Wednesday, 7:00-9:45PM (SM2.714)

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### Professor's Contact Information

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<b>Office Location</b>	SM 14.509 (fourth floor at the south-east end of the new JSOM building)
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<b>Office Hours</b>	Tuesday 5:30-6:30PM and Wednesday 11:00AM-12:00PM Lecture notes and homework assignment can be downloaded from elearning at: <a href="http://www.elearning.utdallas.edu/">http://www.elearning.utdallas.edu/</a>
<b>Other Information</b>	Grades are also available at elearning, but I do not read email from elearning! Please pay attention to announcement posted on elearning

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### General Course Information

<b>Pre-requisites, Co-requisites, &amp; other restrictions</b>	OPRE 6301 (or Stat 5311) and AIM 6201
<b>Course Description</b>	Financial management can be broadly defined as management of assets, liabilities, and equity effectively in order to maximize the wealth of owners. Although, the principle of financial management applies to individuals as well as organizations, we will focus on the financial management of a corporation, or corporate finance, so that you can understand the subject in a general but concrete environment. To give you a big picture on various issues concerning corporate financial decision-making, we divide our course into three areas, the investment decision, valuation, and the financing choices of firms. On the investment side, we study how firms should commit their resources to projects that will create best value. This is carried out through two stages. We first examine firms' capital budgeting decisions in an ideal world with certainty. After developing necessary tools to quantify risks, we then extend our approach of capital budgeting to an uncertainty environment. On the financing side, we study how choices of debt versus equity in financing their investment affect firms' value. Perhaps, a more fundamental question to ask is how we know the value of different assets. In fact, much of the theory in this part relies on correct valuation of different financial claims. Therefore, we will also focus on the pricing issue of various securities, including stocks and bonds, in an efficient market environment. Finally, as the world markets become increasingly integrated due to globalization, it is important to introduce you to important issues in international finance.
<b>Learning Outcomes</b>	1. Be able to apply time value of money concepts to various valuation problems 2. Be able to describe what drives a firm's cost of capital & how to estimate it 3. Be able to analyze strategic investments in real and financial assets using various methodologies
<b>Required Texts &amp; Materials</b>	Ross, Westerfield and Jaffe, <i>Corporate Finance</i> , 10th edition
<b>Suggested Texts, Readings, &amp; Materials</b>	Burton G. Malkiel, <i>Random Walk Down Wall Street</i> Wall Street Journal or financial section of major newspapers such as the New York Times, and watch financial programs