



## Financial Management

<b>Course Code</b>	TBA (College of Business Administration)		
<b>Class Times</b>	Mon/Wed/Thu 09:00-12:00	<b>Classroom</b>	TBA
<b>Equivalent Year Level</b>	2	<b>Course Credit</b>	3
<b>Instructor</b>	Woojin KIM	<b>Sessions</b>	1-14
<b>Office</b>	Bld.59, Rm. 702	<b>Email</b>	woojinkim@snu.ac.kr

### □ Instructor's Profile

Must be in jpeg or jpg format.  
Please send a high quality photo as a separate file.

#### **Woojin KIM**

Associate Professor, Seoul National University Business School

Woojin Kim is an Associate Professor of Finance at Seoul National University Business School. Prior to joining SNU in 2011, he worked at Korea University Business School and KDI School of Public Policy and Management. His main research focuses on corporate finance, especially corporate governance and control-related issues in emerging market business groups. He has published in the *Journal of Financial Economics*, *Review of Financial Studies*, *Journal of Corporate Finance*, *Journal of Banking and Finance*, *Financial Management*, and *Journal of Financial Markets* in the areas of empirical corporate finance and security analysts. He has also worked with the Korean government and Korea Exchange (KRX), and currently serves in various advisory committees.

#### **Education**

Ph.D. in Finance, 2006, University of Illinois at Urbana-Champaign

M.S. in Finance, 2003, University of Illinois at Urbana-Champaign

B.A. in Economics, 1996, Seoul National University

#### **Expertise**

Corporate Control and Ownership, International Corporate Governance, Business Groups and Pyramids, Security Issues, External Financing & Investment, Mergers & Acquisitions

#### **Most Recent Works**

“When and Why Do Takeovers Lead to Fraud?”, with Hee Sub Byun, Eun Jung Lee and Kyung Suh Park, Dec. 2017, *Financial Management*, forthcoming<sup>3</sup>

“Who’s Leaving Money on the Table? Evidence from IPOs within Business Groups”, with Chan Lim, and Tae Jun Yoon, June 2017, *Asia-Pacific Journal of Financial Studies* Vol 46 Issue 3, p.413-444.

“Too Big to Jail? Company Status and Judicial Bias in an Emerging Market” with Hansoo Choi, Hyung-Goo Kang, Changmin Lee, and Jongsik Park, March 2016, *Corporate Governance: An International Review*, Vol. 24 No.2, p. 85-104.



## □ Course Information

Course Description	<p>This course is intended to provide the students with the fundamental skills and conceptual knowledge that one should be familiar with as a financial manager. Throughout the course, students will be introduced to the basic techniques used to value various types of investment opportunities and financial securities. Real world examples and actually empirical evidence will be introduced extensively in class.</p> <p>The course will be composed of three parts. In part one, we will cover firm's investment decisions under certainty focusing on the concept of net present value and the opportunity cost of capital. In part two, the tradeoff between risk and return will be introduced which will enable us to value investment opportunities under uncertainty. Finally, we will discuss the factors that might affect firm's decisions to raise capital from various financing sources.</p>
Course Evaluation	<p>Participation/Attendance 10% Midterm exam 40% Final exam 50%</p> <p><b>Attendance</b> will be important for keeping up with class. Good attendance and <b>active participation</b> will be reflected in grade.</p>
Course Materials	<p>Lecture notes/slides will be posted on-line before each class.</p> <p><b>**Important: Students are <u>required</u> to bring <u>financial calculator</u> which has similar functions as <u>Texas Instruments BAII Plus</u>**.</b></p> <p>Brealey, Myers, Marcus (BMM), Fundamentals of Corporate Finance, is optional but not required.</p>
Class Policy	<p>Missing classes in excess of 1/3 (that is, 5 classes) will result in an automatic failure. Missing either midterm exam or final exam will also result in an automatic failure.</p>
Etc.	<p>Exam questions for mid-term and final exam will be based on lecture given in class.</p>

## □ Course Schedule

### PART 1. Investment Decision under Certainty

[Session 1] Course Overview / Objectives of Firm / Corporate Governance  
BMM Chap. 1: p.2-22, Chap. 13: p.354-355

[Session 2] Time Value of Money / Net Present Value  
BMM Chap. 4: p.74-103

[Session 3] Bonds  
BMM Chap. 5: p.116-130



[Session 4] Stocks

BMM Chap. 6: p.142-149, p.167-168

[Session 5] Valuation

BMM Chap. 6: p.149-161

[Session 6] Capital Budgeting I

BMM Chap. 7: p.178-202, Chap. 8

**PART 2.. Investment Decision under Uncertainty**

[Session 7] Risk

BMM Chap. 10: p.266-278

[Session 8] Mid Term

[Session 9] Diversification and Portfolio Theory

BMM Chap. 10: p.279-287

[Session 10] Capital Asset Pricing Model (CAPM)

Chap. 11: p.294-309

[Session 11] Capital Budgeting II (Incorporating Risk, Practical Issues)

BMM Chap. 11: p.310-313, Chap. 9: p.242-252

**PART 3. Financing and Distribution Decision**

[Session 12] Introduction to Corporate Financing / Debt Policy: Capital Structure Decision

BMM Chap. 13, 14, Chap. 15: p.394-420

[Session 13] Capital Budgeting III (Incorporating Financing Structure)

BMM Chap. 12

[Session 14] Final Exam