Course Syllabus

1. **Program of Study** Bachelor of Business Administration Program
   Faculty/Institute/College Mahidol University International College

2. **Course Code** ICMF 473
   Course Title Financial Theory

3. **Number of Credits** 4 **(Lecture/Lab/Self-Study)** (4-0-8)

4. **Prerequisite(s)** ICMF 471

5. **Type of Course** Required Course

6. **Trimester / Academic Year** First, Second, Third Trimester/2007-2008

7. **Course Conditions** 20-40 students

8. **Course Description**
   Classical ideas in finance, expected utility, risk aversion, mean-variance portfolio analysis, separation thermo, state prices and risk neutral valuation, efficient market, and core theories of capital markets and corporate finance.

9. **Course Objective(s)**
   After successful completion of this course, students will be able to
   - 9.1 understand advance and comprehensive financial theory.
   - 9.2 apply the concepts of financial investment, corporate finance, financial economics, asset pricing and risk management models together.

10. Course Outline

Week	Course Outline				Instructor
	Topics	Lecture	Lab	Self-Study	
1	Introduction: Financial Economics and Financial Theory Introduction to Theory of Risk and Return 1	4	0	8	JNS
2	Theory of Risk and Return 2	4	0	8	JNS
3	Corporate Risk Management	4	0	8	JNS
4	Banks and Their Regulators	4	0	8	JNS
5	Presentation 1: Chapter 4 (10%) Corporate Governance and Risk Management	4	0	8	JNS
6	Value at Risk	4	0	8	JNS
7	Presentation 2: Chapter 6 (10%) Interest-Rate Risk and Hedging with Derivative Instruments	4	0	8	JNS
8	Presentation 3: Chapter 8 (10%) Asset-Liability Management	4	0	8	JNS
9	Presentation 4: Chapter 9 (10%) Credit Scoring and Credit Retail Management	4	0	8	JNS
10	Presentation 5: Chapter 10 (10%) Commercial Credit Risk and the Ratings of Individual Credit	4	0	8	JNS
11	Operational Risk Model Risk	4	0	8	JNS
	Total	**44**	**0**	**88**	

11. Teaching Method(s)

Lecture, presentation and participation

12. Teaching Media

PowerPoint

13. Measurement and Evaluation of Student Achievement

Students achievement is measured and evaluated by

13.1 The ability in understanding advance concepts of financial theory.

13.2 The ability in applying corporate finance, investment, financial modeling, asset pricing and risk management.

Student's achievement will be graded according to the faculty and university standard using the symbols: A, B+, B, C+, C, D+, D, and F.

Student must have attended at least 80% of the total class hours of this course.

Ratio of mark	
1. Quizzes	20%
2. Journal and participation	20%
3. Project (research)	30%
4. Final examination	30%

14. Course Evaluation

14.1 Students' achievement as indicated in number 13 above.

14.2 Students' satisfaction towards teaching and learning of the course using questionnaires.

15. Reference(s)

Chiang, A. C. (1984). **Mathematical Economics**, 3rd Edition, McGraw-Hill

Chiang, A. C. (1992). **Element of Dynamic Optimization**, McGraw-Hill

Copeland, T. E., and Weston, J. F. (1988). **Financial Theory and Corporate Policy**, Addison Wesley

Crouhy, M., Galai, D., and Mark, R. **The Essential of Risk Management**, McGraw-Hill

Jean, P., and Donaldson, J. B. **Intermediate Financial Theory**, Prentice Hall

16. Instructor(s)

Dr. Jiranart Sutthirat

17. Course Coordinator

Program Director of Finance Major