



UDAYANA UNIVERSITY

Republic of Indonesia State University

FACULTY OF ECONOMICS AND BUSINESS INSTITUT OF INTERNATIONAL BUSINESS STUDIES NETWORK

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IBSN PROGRAM (BA.03) Syllabus of Finance and Investment

This course is composed on Bachelor level (advanced / 3rd year / last term). It is part of different full degree study programs at Udayana University.

- A. Objective
- B. Method of Instruction
- C. Study Plan
- D. Reference Textbooks
- E. Course Assessment
- F. Workload
- G. ECTS
- H. Lecturer

A. Objective:

The course seeks to provide a basic understanding of finance and investment, by discussing three interrelated areas in finance: money and capital markets, investment and financial management. The course, further, will explore more in financial management and investment areas.

After taking this course, the students will have some understanding of Finance and Investment with Indonesian cases. Indonesian economic development and macro aspect of Indonesia Economy.

B. Method of Instruction:

The course will be organized in combination of lectures, discussions, and problem and case analysis.

C. Study Plan:

Week	Topics
1	<p>Introduction</p> <p>This session provides an overview of finance course covering the Financial market in Indonesia including capital and money market, financial instruments commonly traded, market participants, risk and return, asset pricing models, and functions of finance.</p> <p>Learning outcomes after the completion of this session:</p> <ul style="list-style-type: none">• The students will gain insight of the existence of financial market in a country especially for Indonesian context;• The students will be able to differentiate capital and money market instruments;• The students will be able to understand the concept risk and return trade-off.

2	<p style="text-align: center;">2 Finance theory</p> <p>In this session students will deal with financial statements and their roles in finance, firm values, theories, and financial intermediaries.</p> <p>Learning outcomes after completion of this session:</p> <ul style="list-style-type: none"> · The students will be able to mention each type of financial statement and its role in the market; · Models in firm values; · The importance of intermediaries in the market.
3	<p style="text-align: center;">Concepts in Valuation</p> <p>This session will deal with valuation techniques commonly applied in finance theory covering future/terminal values, present values, compounding and discounting process, uneven cash flows, and annuity.</p> <p>Learning outcomes after completion of this session:</p> <ul style="list-style-type: none"> · The students will be able to calculate the future and present value; · The students will be able to estimate the interest rate; · The students will be able to calculate the compounding periods.
4	<p style="text-align: center;">Capital investments principles:</p> <p>This session will cover techniques commonly applied in assessing the feasibility of a proposed project. The approaches will apply discounted cash flow.</p> <p>Learning outcomes after completing this session:</p> <ul style="list-style-type: none"> · The students will be able to apply NPV and IRR for a given project; · The students will be able to apply the payback periods, the time needed to cover the investment cost
5	<p style="text-align: center;">Weighted Average Required returns:</p> <p>This session will cover the elements the cost of capital which one can find on the right hand side of a balance sheet. The cost of capital of a company is a composite of after tax cost of debt, cost of preferred, common, newly issued, and retained earnings.</p> <p>Learning outcomes after the completion of this session:</p> <ul style="list-style-type: none"> · The students will be able to calculate cost of capital of a company given the weight of each component; · The students will be able to calculate a marginal cost of capital.
6	<p style="text-align: center;">Working Capital Management:</p> <p>Working capital in a company should be managed in such a way since it deals with day today operations. Failure to manage its working capital a company may face short-term liquidity problems, run out of inventory, and idle receivables.</p> <p>Learning outcomes after the completion of this session:</p> <ul style="list-style-type: none"> · The students will be able to manage cash flow of a company; · The students will be able to manage accounts receivable and credit policy; · The students will be able to estimate the economic amounts of inventories.
7	<p style="text-align: center;">Term Paper presentation:</p> <p>In this session the students should present their term papers based on their topics to enhance the understanding of finance.</p>
8	<p style="text-align: center;">Management Accounting</p> <ul style="list-style-type: none"> · Target costing · process costing systems · life-cycle product budgeting and costing

9	<p style="text-align: center;">An Overview of Investment in Indonesia and Bali</p> <ul style="list-style-type: none"> · Capital Expenditures : Importance and Difficulties · Phases of Capital Budgeting · Levels of Decision Making · Feasibility Study : A Schematic Diagram · Objectives of Capital Budgeting
10	<p style="text-align: center;">Public and Private Investment in Bali</p> <ul style="list-style-type: none"> · Introduction · Investment Policies · Program Implementation · Sectoral Pattern · Source Pattern
11	<p style="text-align: center;">Investment Technical Analysis</p> <ul style="list-style-type: none"> · Material Inputs and Utilities · Manufacturing Process/ Technology
12	<p style="text-align: center;">Investment in Human Resources Development</p> <ul style="list-style-type: none"> · Demand for Education by Workers · Attendance for Long Term Benefits, or Investment Behavior · A formal Model of Choice and Its Application
13	<p style="text-align: center;">Law and regulation on Investment in Indonesia</p> <ul style="list-style-type: none"> · Foreign Investment: Procedure, Obligations, Form · Domestic Investment
14	<p style="text-align: center;">Joint Ventures Between Western and Developing Countries Companies</p>
15	<p style="text-align: center;">Summary of Finance Course</p>

D. Reference Textbooks

The lecture is not orientated to one book. A selection as follows:

M. Grinblatt & S. Titman (2011) : Financial Markets and Corporate Strategy.

To every partition of the lecture there are some special books, which however are more comprehensive than the lecture. Some examples:

1. Fabozzi, F.: Bond Markets, Analysis and Strategis (2.1), 2009
2. Hull, J.: Fundamentals.to Futures and Options Markets (2.2,23), 2010
3. Bodie, Z. Kane A. and Marcus A.: Investments (2.4), 2013
4. B. Soinik, B. and Mc Laevy, D.: International and Investments (2.5.1), 2003
5. Van Horne, James C.: Financial Management and Policy, 2001
6. Charles T. Horngren, Alnoor Bhimani, Srikant M. Datar, Madhav Rajan.:
Management and Cost Accounting, 2015

Investment

1. Government of Indonesia, Law on Foreign, Investment in Indonesia, Edition 2015
2. Government of Indonesia, Law on Domestic Investment in Indonesia, Edition 2015
3. Haugen Robert A.: Modern Investment Theory, New Jersey 2003
4. Indonesian Central Bureau Statistic: Statistic Economy and Investment 2015.
5. BIES: Several publication whichever relevant to the investment subject (will be indicated during the progress of the lectures)
6. Davis, Robert J.: Investment Management consultant, Wealth Advisor and Investment Banking Analyst: Formulas, Principles and References, 2014

E. Course Assessment

The final grade is distributed as follow:

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|-----------------------|------|
| 1. Case study | 20% |
| 2. Term paper | 20% |
| 3. Presentation | 10%. |
| 4. Final written exam | 50% |

F. Workload

Workload: in class 30 hours, in total 146

Attendance: 75% (signature)

G. ECTS

6 ECTS

H. Lecturer

All lecturers in the B.A. program are full accredited at UDAYANA UNIVERSITY. They have been appointed to the Faculty of Economics and Business with all academic duties and rights. Lecturers can be changed without notice. For each term see updated table.