

Exploration on Curriculum Rationality of Financial Management Offered in Undergraduate Major of Applied Financial Management

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Abstract—Based on the research on China's current curriculum system of the undergraduate major of Applied Financial Management, it is found that there are lots of overlaps between *Financial Management* and other courses. The offering of the course of *Financial Management* in the major of Financial Management is easy to mix the major and the course together and likely to cause misunderstanding. Therefore, it is proposed that the course of *Financial Management* in the major of Applied Financial Management shall be cancelled.

Keywords- *applied, financial management, curriculum, exploration*

The Financial Management being listed into the Undergraduate Specialty Catalogue as a third-level discipline by the Ministry of Education in 1999 becomes a very popular major in the institutions of higher learning and the society. And its curriculum system is gradually stabilized.

I. CURRICULUM SETTINGS OF FINANCIAL MANAGEMENT AND OTHER COURSES OFFERED IN UNDERGRADUATE MAJOR OF APPLIED FINANCIAL MANAGEMENT

Many universities have not clearly identified themselves as application-oriented institutions of higher learning. In addition, it is widely recognized that those included in the 211 and 985 projects are comprehensive universities. Thus we select the finance-focused universities as the sample of our research. With the help of five young teachers newly recruited in 2012 and their alumni and friends, we identify ten universities which operate the undergraduate major--Finance Management, learning their curriculum settings of this major. The ten universities are as followings: Dongbei University of Finance and Economics (DUFE), Lanzhou Commercial College(LCC), Capital University of Economics and Business(CUEB), Beijing Technology and Business University(BTBU), Shanghai Institute of Foreign Trade(SIFT), Jilin Business and Technology College(JBTC), Nanjing University of Finance and Economics (NUFE), Zhejiang University of Finance and Economics(ZUFE), Tianjin University of Commerce(TUC), Tianjin University of Finance and Economics(TUFE).

All ten universities offer the courses of *Financial Management* and *Management Accounting*, eight ones offer *Financial Analysis*, six offer *Securities Investment Theories*, *Advanced Financial Management* and *Financial Accounting*.

II. FUNDAMENTAL CONTENTS OF FINANCIAL MANAGEMENT

In terms of the basic contents of the course of Financial Management, we have difficulty in investigating it because there is few financial management textbooks clearly marked as application-oriented. In addition, many application-oriented universities do not necessarily choose those textbooks with clear identification for "application-oriented" undergraduate graduation. Therefore, we pick three textbooks for the course of Financial Management which are recently published by well-known publishing houses having launched many textbooks about finance and economics, so we can summarize the basic contents of this course, as we can see from table 1. The three books are as followings: *Financial Management* written by Shangguan Jingzhi July, 2010^①; *Financial Management* edited by Cheng Wenli August, 2010^②; *Financial Management* edited by Liu Jinhui October, 2010^③.

After analyzing the contents of those three books, we argue that the contents of the course include following blocs:

1. Basic bloc

We compare and summarize the three textbooks, finding that pandect and values of financial management are covered in all of them. In terms of pandect of financial management, they differ in the scheduling order and space: the two versions of *Financial Management* published by Higher Education Press and Shanghai University of Finance and Economics Press bring the overview, objectives, principles and environment of financial management into the contents of the pandect, while the *one* published by Lixin Accounting Publishing House regards environment of financial management as a single chapter. However, regarding to the contents of the three versions, we can summarize the contents of the pandect into four aspects of financial management such as overview, objectives, principles and environment. As for the values of financial management, each version has introduced the time value of capital and risks and rewards.

2. Financing management bloc

We incorporate several aspects of knowledge into this bloc including the overviews of various financing methods, calculation of capital cost, lever principle and capital structure decisions. The version published by Higher Education Press spend three chapters in explaining this bloc of knowledge; the version published by Lixin Accounting

Publishing House spend two; the version published by Shanghai University of Finance and Economics Press spend only one. In addition, we find that “Prediction of Capital Requirements” do not exist in the last two versions. But we thought it should include in the financing management. Therefore, we put this into the knowledge bloc of financing management in the later analysis. We concluded that this bloc should include five aspects, i.e. various long-term and short-term financing methods, prediction of capital requirements, calculation of capital cost, lever principle and capital structure decisions

3. Investment management bloc

All three versions mainly told us basic theories of investment and project and securities investments. The two versions of Higher Education Press and Shanghai University of Finance and Economics Press use two chapters to cover these knowledge, while the third version only use one chapter to cover them. The basic theories are as followings: the significance, types and principles of investment, the analysis of investment environment and the prediction of investment amount. Project Investment focus on the evaluation of cash flow, the calculation and application of decision index and the evaluation criteria. Securities investment includes the decision analysis of risks and returns of the investment of stock, bond and fund.

4. Operating funds management bloc

The operating funds management focuses on current assets management in the three versions. Current assets include cash management, accounts receivable management and inventory management. The version produced by Higher Education Press adopts two chapters to cover this bloc, while the other two versions adopt just one chapter to cover this bloc.

5. Profit distribution management bloc

Each version uses one chapter to cover this bloc including the overview of profit distribution and dividend policies.

6. Other knowledge blocs

Besides, financial analysis, financial budget and corporate mergers, acquisitions and reorganizations are mentioned in the two versions published by Higher Education Press and Shanghai University of Finance and Economics Press. For the sake of comparison, we place these contents into the same bloc. Financial analysis focuses on corporate debt solvency, operating capability, profitability, development ability and comprehensive financial analysis. Financial budget emphasize the making methods of financial budget and the financial budget making. Corporate mergers, acquisitions and reorganizations lay weight on the merging, purchasing and restructuring of enterprises.

III. COMPARISON BETWEEN THE CONTENTS OF THE COURSE OF *FINANCIAL MANAGEMENT* AND OTHER RELEVANT COURSES

In the table 2, we have compared all the knowledge blocs of Financial Management with five courses including Management Accounting, Financial Analysis, Securities Investment Theories, Advanced Financial Management and Financial Accounting. These five courses has picked five

influential textbooks: Management Accounting edited by Zhao Shuanwen August, 2011; Financial Analysis edited by Jing Xin May, 2010; Securities Investment Theories Advanced Financial Management edited by Wu Xiaoqi February, 2009; Advanced Financial Management edited by Zuo Xiaoping September, 2009; Financial Accounting edited by Huang Xiaorong.

- We can tell from the table that there are overlaps between Financial Management and other five courses in terms of values of financial management, basic theories of investment, project investment, securities investment, cash management, inventory management, profit distribution, financial analysis, financial budget, lever principle, prediction of capital requirements and corporate mergers, acquisitions and reorganizations.

- Financial Management and other five courses differ in the contents such as pandect of financial management, overview of various long-term and short-term financing methods, calculation of capital cost and capital structure decisions.

IV. SUGGESTIONS FOR REFORMING FINANCIAL MANAGEMENT CURRICULUM

- According to the positioning and the analyses mentioned above of the undergraduate course of application-oriented financial management, we offer our suggestions for reforming the financial management curriculum as followings:

- 1. The contents of the application-oriented course of Financial Management are similar to that of other professional courses. It is advisable to incorporate the course into other related courses and enrich and adjust these courses.

- 2. Corporate mergers and acquisitions refer to activities of controlling or exerting influence on the target enterprise for purchasing part of its shares or assets. They belong to investment behaviors. We suggest that those universities which have not offered the course of advanced financial management should put this content into the course of investment theories.

- 3. Corporate restructuring is a process of integration and optimization of existing assets. It belongs to a company's activities of day-to-day business decision-making. We suggest that those universities which have not offered the course of advanced financial management should put this part into the relevant contents of business decisions in the course of management accounting.

- 4. Accounts receivable are within the range of daily operation decisions. It is better to put this part into the contents related to short-term operating decisions in the course of management accounting.

- 5. Overview of various long-term and short-term financing methods, calculation of capital cost, lever principle and capital structure decisions are the contents of financing or financing management. What's more, financing is the main direction of employment for graduates of the college major of Application-oriented Financial Management and need a good mastery of related knowledge. Thus we advise to run an independent course about financing. The School of

Business Administration of Haikou College of Economics is among the first to offer the course of Financing Theories and Practices.

- To sum up, it is not necessary to open the course of Financial Management any more in the current curriculum of the major of Financial Management. In addition, the operating of the course of Financial Management can easily lead people to mix the course and the major together. Therefore, we suggest that the course should be cancelled. Meanwhile, we should revise other related courses in order to avoid the omission of knowledge points.

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Table 1: Fundamental Contents of Financial Management Course

Shangguan Jingzhi(author), Higher Education Press(1st, July, 2010) Part One Fundamentals of Financial Management	Application-oriented Textbook(Lixin Accounting Publishing House, Chief Editor Cheng Wenli, August, 2010)	Liu Jinhui(editor),Ren Haizhi(editor) Shanghai University of Finance and Economics Press(1st, October, 2010)
Chapter 1 Introduction Section 1 Overview of Financial Management Section 2 Objectives of Financial Management Section 3 Environment of Financial Management	Chapter 1 Pandect Section 1 Contents of Financial Management Section 2 Objectives of Financial Management Section 3 Principles and Functions of Financial Management	Chapter 1 Pandect of Financial Management Section 1 Overview of Financial Management Section 2 Objectives of Financial Management Section 3 Principles of Financial Management Section 4 Environment of Financial Management
Chapter 2 Basic Principles of Financial Management Section 1 Time Value of Money Section 2 Risks and Rewards Section 3 Other Principles	Chapter 2 Environment of Financial Management Section 1 Overview of Financial Management Environment Section 2 Legal Environment Section 3 Economic Environment Section 4 Financial Environment	Chapter 2 Values of Financial Management Section 1 Time Value of Money Section 2 Risks and Rewards
Part Two Financing Management		
Chapter 3 Introduction of Financing Management Section 1 Overview of Financing Management Section 2 Types of Enterprise Financing Section 3 Prediction of Capital Requirements	Chapter 3 Values of Financial Management Section 1 Time Value of Money Section 2 Risk Value of Investment	Chapter 3 Financing Modes Section 1 Overview of Financing Section 2 Equity Financing Section 3 Long-term Debt Financing Section 4 Mixed Financing Section 5 Short-term Financing
Chapter 4 Long-term Financing Management Section 1 Modes of Long-term Financing Section 2 Capital Cost	Chapter 4 Financing Management Section 1 Overview of Enterprise Financing Section 2 Capital Cost Section 3 Use of Leverage Value Section 4 Capital Structure Decision	Chapter 4 Capital Cost and Capital Structure Section 1 Capital Cost Section 2 Lever Principle Section 3 Capital Structure

Section 3 Leverage Benefits and Risks	Chapter 5 Investment Management	
Section 4 Capital Structure Decision	Section 1 Investment Overview	Chapter 5 Project Investment Management
Chapter 5 Short-term Financing Management	Section 2 Fixed Assets Management	Section 1 Overview
Section 1 Overview of Short-term Financing	Section 3 Securities Investment Management	Section 2 Cash flow
Section 2 Short-term Borrowing	Section 4 Intangible Assets Management	Section 3 Evaluation Index of Investment Project Decisions
Section 3 Commercial Credit		Section 4 Financial Decision-making of Fixed Assets Renewal
Section 4 Other Short-term Financing Projects	Chapter 6 Operating Assets Management	Section 5 Multi-portfolio Investment Decisions
Part Three Investment Management	Section 1 Overview of Operating Assets Management	Chapter 6 Securities Investment Management
Chapter 6 Project Investment Management	Section 2 Cash Management	Section 1 Overview of Securities Investment
Section 1 Overview of Project Investment	Section 3 Accounts Receivable Management	Section 2 Important Instruments of Securities Investment
Section 2 Cash flow and Its Evaluation	Section 4 Inventory Management	Section 3 Analysis Methods of Securities Investment
Section 3 Basic Methods of Project Investment Decision-making	Chapter 7 Profit Distribution Management	Section 4 Securities Investment Risk and Its Control
Section 4 Application of Investment Decision-making Methods	Section 1 Contents of Profit Distribution	
Section 5 Uncertain Investment Decisions	Section 2 Procedures and Ways of Dividend Distribution	Chapter 7 Operating Funds Management
Chapter 7 Financial Investment Management	Section 3 Policies of Dividend Distribution	Section 1 Overview of Operating Funds
Section 1 Overview of Financial Investment	Section 4 Stock Dividend and Stock Split	Section 2 Cash Management
Section 2 Bond Investment Management	Chapter 8 Financial Analysis	Section 3 Accounts Receivable Management
Section 3 Stock Investment Management	Section 1 Overview of Financial Analysis	Section 4 Inventory Management
Section 4 Fund Investment	Section 2 Contents of Financial Analysis	Chapter 8 Profits and Profit Distribution Management
Part Four Management of Operating Funds and Profit Distribution	Section 3 Comprehensive Analysis	Section 1 Operating Income Management
Chapter 8 Basic Principles of Operating Funds Management		Section 2 Profit Management
Section 1 Overview of Operating Funds		Section 3 Profit Distribution Management
Section 2 Combined Policies of Current Liabilities		
Section 3 Combined Policies of Current Assets		Chapter 9 Financial Budget
Section 4 Comprehensive Management Policies of Operating Funds		Section 1 Overview of Financial Budget
Chapter 9 Current Assets Management		Section 2 Making Methods of Financial Budget
Section 1 Overview of Current Assets Management		Section 3 Financial Budget Making
Section 2 Cash Management		Chapter 10 Financial Control
Section 3 Accounts Receivable Management		Section 1 Overview of Financial Control
Section 4 Inventory Management		Section 2 Financial Control of Responsibility Centers
Chapter 10 Profit Distribution Management		Section 3 Internal Transfer Pricing
Section 1 Overview of Profit		Chapter 11 Financial Analysis
		Section 1 Overview of Analysis of Financial Statement
		Section 2 Analysis Methods of Financial

Distribution Management	Statement
Section 2 Dividend Theories and Dividend Policies	Section 3 Misleading financial information and its prevention
Section 3 Determination of Dividend Distribution Scheme	Chapter 12 Financial Strategies in Corporate Mergers and Acquisitions
Part Five Financial Analysis and Corporate Mergers, Acquisitions and Reorganizations	Section 1 Overview of Corporate Mergers and Acquisitions
Chapter 11 Financial Analysis	Section 2 Financial Procedures and Contents in Corporate Mergers and Acquisitions
Section 1 Overview of Financial Analysis	Section 3 Financial Risks and Control in Corporate Mergers and Acquisitions
Section 2 Calculation and Analysis of Basic Financial Ratios	Section 4 Corporate Merger and Acquisition Cases
Section 3 Early Warning Analysis	
Section 4 Trend Analysis and Comprehensive Analysis of Financial Position	
Chapter 12 Corporate Mergers, Acquisitions and Reorganizations	
Section 1 Corporate Mergers and Acquisitions	
Section 2 Corporate Reorganizations	

Table 2 shows the comparisons between the contents of financial management and accounting management, financial analysis and securities investment.

Contents of <i>Science of Financial Management</i>	
Knowledge blocs	contents
Basic bloc	Pandect of financial management
	Values of financial management
Financing management bloc	Overview of various long-term and short-term financing ways
	Prediction of capital requirements
	Calculation of capital cost
	Lever principle
	Capital structure decision
Investment management bloc	Basic theories of investment
	Project investment
	Securities investment
Operating funds management bloc	Cash management
	Account receivable management
	Inventory management
Profit distribution management bloc	Profit distribution
	Dividend policy
Other knowledge blocs	Financial analysis
	Financial budget
	Corporate mergers, acquisitions and reorganizations