

Course Profile
Department of Management / Management Program

Course Number : MAN321	Course Title : Business Finance
Required / Elective : Required	Pre / Co-requisites : None
<p>Catalog Description:</p> <p>Finance and the financial manager; present value and the opportunity cost of capital, calculation of present values, annuity and perpetuity formulas, introduction to valuation of bonds and common stocks, capital budgeting, NPV and its competitors, risk and return, capital budgeting and risk, corporate financing and market efficiency, issuing corporation securities.</p>	<p>Textbook / Required Material :</p> <p>Ross, Stephen A., Randolph W. Westerfield, and Bradford D. Jordan, <i>Corporate Finance Fundamentals</i>, Mc Graw Hill, 8th Edition, 2008.</p>
Course Structure / Schedule: (3+0+0) 3 / 6 ECTS	
<p>Extended Description :</p> <p>The primary purpose of the course is to examine institutional, conceptual and analytical aspects of financial decisions at an introductory level. As this is the first required course in the field of finance, our main focus will be on basic concepts, tools and techniques that a financial manager uses in his/her decision making process. These include financial statement analysis, financial planning, the trade-off between risk and return, the time value of money and investment decision rules. The course also covers an overview of financial markets and institutions.</p>	
Design content : None	Computer usage: No particular computer usage required
<p>Course Outcomes: [relevant program outcomes in brackets]:</p> <p>By the end of this course, students will be able to:</p> <ol style="list-style-type: none"> 1. Evaluate the role of the Corporate Finance Manager and its main links to business objectives.[8] 2. Analyze a firm's performance using financial statements. [7,8,10] 3. Develop a financial plan using the percentage of sales approach. Students will use the plan to explore the relationship between growth and financing needs. [7,8] 4. Use the time value of money technique to make decisions in various personal and business situations. [2,8] 5. Use discounted cash flow method to value common stocks and bonds. [8,10] 6. Use the Capital Asset Pricing Model. This requires an understanding of the risk-return trade-off, the impact of diversification, the systematic risk principle. [2,8,10] 7. Use the yield curve to infer investor's expectations about the level of short term interest rates in the future. [2,8,10] 8. Rank capital budgeting proposals using the payback method, net present value and internal rate of return. [8,10] 	
Recommended reading:	

Teaching methods: Lectures, slides		
Assessment methods: Quizzes: 20% Midterms: 40% Final Examination: 40%		
<p style="text-align: center;">Student Workload</p> <p>Preparatory reading 60 hrs</p> <p>Lectures38 hrs</p> <p>Problem Solving 45 hrs</p> <p>Examinations 7 hrs</p> <p style="text-align: center;">TOTAL : 150 hours / 25 = 6 ECTS</p>		

Weekly Subjects and Related Preparation Studies		
Week	Subject	Related Preparation
1	Introduction to Corporate Finance	-
2	The Financial Environment: Markets, Institutions	-
3	Financial Statements, Taxes, and Cash Flow	-
4	Introduction to Valuation: the Time Value of Money	-
5	Discounted Cash Flow Valuation	-
6	Bond Valuation	-
7	Term Structure of Interest Rates	-
8	Stock Valuation	-
9	Stock Valuation	-
10	Net Present Value and Other Investment Criteria	-
11	Making Capital Investment Decisions	-
12	Making Capital Investment Decisions	-
13	Real Options	-
14	Some Lessons from Capital Market History	-

The Relationship Between Course Learning Outcomes and Program Qualifications						
	Program Qualifications / Outcomes	Level of Contribution				
		1	2	3	4	5
1	Comprehend how to plan, organize, lead and control within an organizational setting	X				

2	Integrate the theories with the real life functions.				X	
3	Communicate and present ideas effectively in verbal and written.		X			
4	Participate in a team work effectively and increase the dynamics of the team.	X				
5	Use computer-based technology and related packaged software.				X	
6	Consider the principal laws that provide the legal framework for business.	X				
7	Hold a basic knowledge about accounting methods and their applications in business world.			X		
8	Apply financial analysis techniques within a business environment.					X
9	Identify the functions of marketing and their applications to business.	X				
10	Utilize basic quantitative analysis and their applications in the business world.			X		
11	Apply basic principles of business processes and project management techniques.	X				
12	Utilize the skills and techniques of data collection for problem solving and decision making.	X				
13	Achieve an interdisciplinary point of view.	X				
14	Have the consciousness of business ethics and social responsibility issues.	X				
Prepared by : Assist. Prof. Aydin Yuksel		Revision Date : 06/2013				