

Course Profile
Department of Management / International Trade Program

Course Number : MAN321	Course Title : Business Finance
Required / Elective : Required	Pre / Co-requisites : None
Catalog Description: 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.	Textbook / Required Material : Ross, Stephen A., Randolph W. Westerfield, and Bradford D. Jordan, <i>Corporate Finance Fundamentals</i> , Mc Graw Hill, 8 th Edition, 2008.
Course Structure / Schedule: (3+0+0) 3 / 6 ECTS	
Extended Description : 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.	
Design content : None	Computer usage: No particular computer usage required
Course Outcomes: [relevant program outcomes in brackets]: By the end of this course, students will be able to: <ol style="list-style-type: none"> 1. Evaluate the role of the Corporate Finance Manager and its main links to business objectives.[3] 2. Analyze a firm's performance using financial statements. [3,8] 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. [3,8] 4. Use the time value of money technique to make decisions in various personal and business situations. [3,8] 5. Use discounted cash flow method to value common stocks and bonds. [3] 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. [3,6] 7. Use the yield curve to infer investor's expectations about the level of short term interest rates in the future. [3] 8. Rank capital budgeting proposals using the payback method, net present value and internal rate of return. [3] 	
Recommended reading:	

Teaching methods: Lectures, slides						
Assessment methods: Quizzes: 20% Midterms: 40% Final Examination: 40%						
Student Workload						
Preparatory reading 60 hrs						
Lectures38 hrs						
Problem Solving 45 hrs						
Examinations 7 hrs						
TOTAL : 150 hours / 25 = 6 ECTS						
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						
		Level of Contribution				
	Program Qualifications / Outcomes	1	2	3	4	5
1	Comprehend the principal theories and the terminology of international trade.	X				

2	Integrate the theories of international trade with the real life functions in changing global business world.	X				
3	Apply international finance knowledge and accounting methods into global cases.	X				
4	Be able to integrate planning and management of logistic function and supply chain activities from an international perspective.	X				
5	Comprehend the key concepts of global marketing.	X				
6	Evaluate the risks that foreign trade companies and multinational companies face and analyze them.			X		
7	Explain the different political, legal, and economic systems and technological forces in the international environment.	X				
8	Develop a conceptual framework for the analysis, evaluation and development of goals and strategy for organizations in a global context.	X				
9	Communicate and present ideas effectively in verbal and written.		X			
10	Participate in a team work effectively and increase the dynamics of the team.	X				
11	Use computer-based technology and related packaged software.				X	
12	Consider the principal laws and legislations that provide the legal framework for foreign trade.	X				
13	Have the consciousness of ethics and social responsibility issues.	X				
14	Achieve an interdisciplinary point of view.	X				
Prepared by : Assoc. Prof. Aydin Yuksel		Revision Date : 06/2013				