

Course Profile
Department of Management / Management Program

Course Number : MAN322	Course Title : Corporate Finance
Required / Elective : Required	Pre / Co-requisites : None
Catalog Description: Dividend policy; debt policy; financing and valuation, understanding options, valuing options, real options, debt financing, risk management, financial analysis and planning.	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 : In the first part of the course, investment and financing decisions will be our main concern. We will focus on (1) the capital budgeting process and (2) dividend and capital structure policies of the firm. In the second part of the course, we will concentrate on some special topics in financial management. We will discuss (1) the basics of risk management, with particular emphasis on how derivatives can be used to hedge financial risks, (2) basic lease terminology and reasons for leasing, learn how to compute the net advantage to leasing	
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: 1. Apply capital budgeting techniques to evaluate a firm's investment opportunities. [8] 2. Modify the standard capital-budgeting rules to allow for a precise quantitative assessment of the real options in a project. [8] 3. Determine a firm's overall cost of capital.[2,8] 4. Describe the different ways of raising capital and quantify the amount of flotation cost. [8] 5. Assess the impact of debt/equity decisions on a firm's overall value and its shareholder return. Distinguish between operating risk and financial risk. [2,8] 6. Assess the impact of a firm's dividend policy on its share value. [2,8] 7. Explain the types of volatility that companies can manage, how to develop risk profiles and how derivatives can be used for hedging. [2,8] 8. Discuss the good reasons for leasing and compute the net advantage to leasing.[2,8]	
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	Return, Risk and the Security Market Line	-
2	Return, Risk and the Security Market Line	-
3	Options and Corporate Finance	-
4	Cost of Capital	-
5	Raising Capital	-
6	Working with Financial Statements	-
7	Long-Term Financial Planning and Growth	-
8	Financial Leverage and Capital Structure Policy	-
9	Financial Leverage and Capital Structure Policy	-
10	Dividends and Dividend Policy	-
11	Risk Management: An Introduction to Financial Engineering	-
12	Risk Management: An Introduction to Financial Engineering	-
13	Option Valuation	-
14	Leasing	-

The Relationship Between Course Learning Outcomes and Program Qualifications

	Program Qualifications / Outcomes	Level of Contribution				
		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				